

AGRICULTURAL OUTLOOK

Economic Research Service
United States Department of Agriculture

October 1992

**Update on:
Farm Income, Exports,
Land Values**

~~HURRICANE DAMAGE
REPORT~~

AGRICULTURAL OUTLOOK

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Update on Farm Income, Exports, Land Values, Food Prices—and Hurricane Damage

The outlook for exports, income, land values, and food prices points to a favorable checkup for U.S. agriculture in 1992. Forecasts for higher food grain receipts, increased government payments, and smaller expenses have improved the 1992 outlook for gross and net cash income.

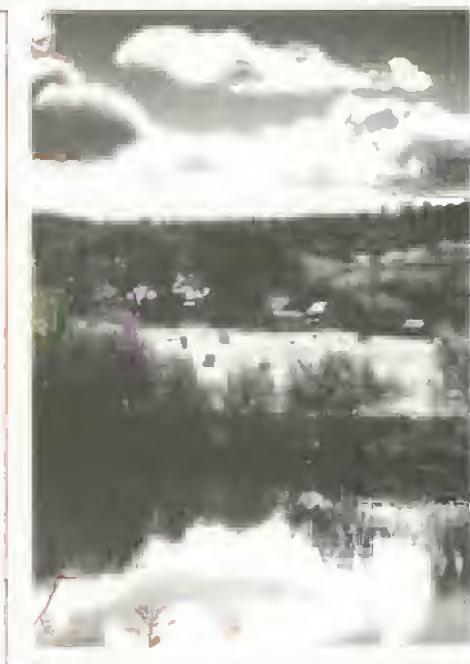
Farm income estimates for both 1991 and 1992 have been raised. Estimated net farm income for 1991—near \$45 billion—is about \$3 billion above the May estimate. And for 1992, net farm income estimated at \$42-\$47 billion is about \$2 billion above May's estimate.

Strong advances in food grain receipts—particularly for wheat—could push total crop receipts to \$80-\$83 billion, compared with an average of \$80.5 billion for the past 2 years. Livestock receipts for 1992 are currently forecast at \$84-\$85 billion, compared with 1991's preliminary \$87 billion. The slip is due to lower red meat receipts.

As fiscal 1992 ends, U.S. agricultural exports are forecast \$4 billion above fiscal 1991's \$37.5 billion. And a \$900-million increase in agricultural imports would bring their total to a record \$23.5 billion.

Although this year's weakening of the U.S. dollar in foreign exchange markets brings speculation of a stronger U.S. agricultural trade surplus, the weaker dollar came too late to significantly boost exports in fiscal 1992. And positive impacts that might be expected in fiscal 1993 are likely to be offset by lower grain and soybean prices—which would drive down the value of bulk exports relative to exports of high-value products.

Other positive signs on agriculture's horizon include a recent appraisers' survey of U.S. farmland values. For the 12 months following the July 1992 survey, farmland values are expected to average 1 percent higher than the previous year. The appraisers' expectations are in line



with USDA's forecast for a 1- to 3-percent increase for calendar 1992. Factors cited by appraisers in the forecast for higher land values include increased demand for farmland—based on prospects for higher farm incomes, lower interest rates, and higher inflation—and less farmland on the market.

In July, USDA conducted the first sign-up for a pilot Wetlands Reserve Program (WRP) involving nine states. Farmer interest exceeded the most optimistic expectations—over 2,700 intentions were filed to participate on 466,000 acres. Of this, USDA can accept 50,000 acres, at a cost of \$46.4 million.

The 12th and latest sign-up in the Conservation Reserve Program (CRP) tentatively enrolled just over 1 million acres, bringing total CRP enrollment to 36.5 million acres. Nearly 40 percent of the acreage tentatively accepted in the 12th CRP sign-up is located in the Corn Belt. This is a sizable shift from the first 5 years of the program (1986-90), when the Corn Belt represented only 14 percent of enrollment.

The latest forecast for food prices spells good news for U.S. consumers. The rise in the Consumer Price Index (CPI) for food in 1992 will probably be the smallest in 25 years. In 1967, the CPI for food rose 0.9 percent, and this year's increase is expected to be around 1 percent, possibly matching the 25-year record.

Several factors are holding food price rises to a minimum this year. Increased supplies of meats, particularly pork, have pushed retail beef, pork, and poultry prices down. A low inflation rate is keeping the lid on costs for processing and distributing food. And slow growth in consumers' real income is keeping consumer demand fairly stagnant, particularly for ready-to-serve foods and restaurant meals.

Bad weather has brought clouds to agriculture's otherwise favorable outlook in some areas. In Florida, Hurricane Andrew battered Dade County's agricultural area, then proceeded to Louisiana. In Hawaii, Hurricane Iniki struck the northern island of Kauai, damaging the sugarcane crop.

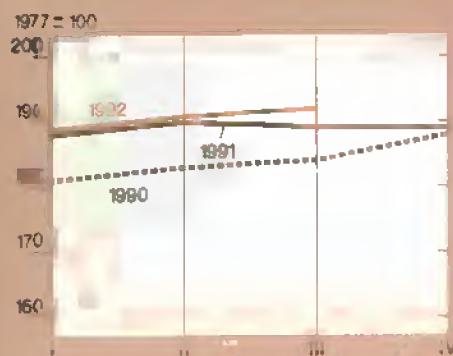
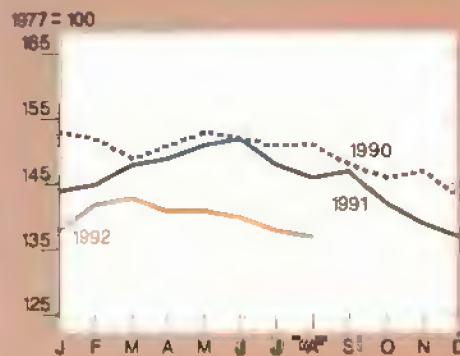
Most of Florida's lime, avocado, and mango production lay in Andrew's path through Dade County, and severe damage is reported to all three crops. Damage was also sustained by Dade County's nursery and greenhouse industry, which has produced an estimated \$150 million annually in tropical plants, bedding plants, and foliage. About two-thirds of these were grown in shade houses, many of which were destroyed.

In Louisiana, sugarcane in coastal parishes sustained severe damage, causing the statewide sugarcane crop rating to plummet from 100 percent good to excellent to nearly half rated poor or very poor. USDA reduced its sugarcane production forecast for Louisiana by 19 percent as a consequence.

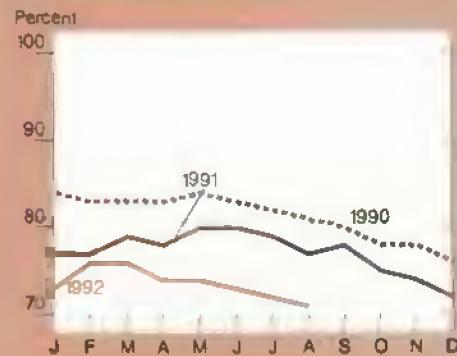
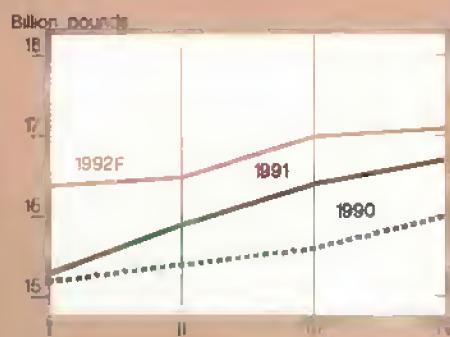
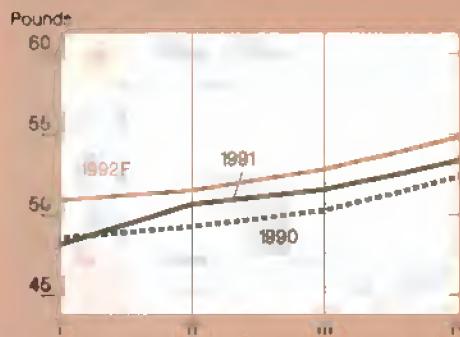
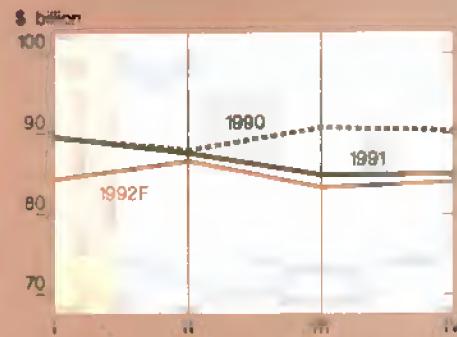
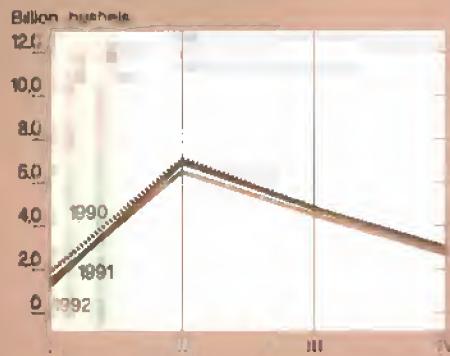
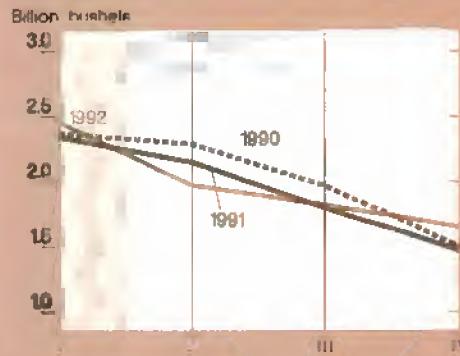
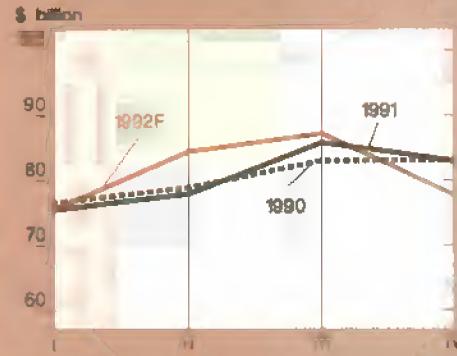
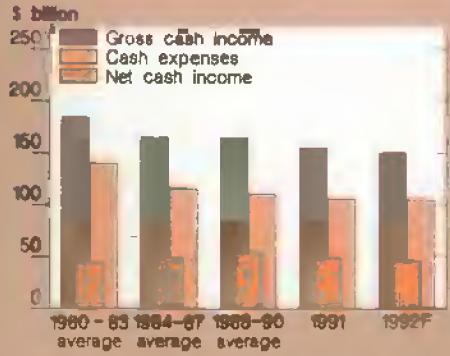
Commodity Overview

Prime Indicators

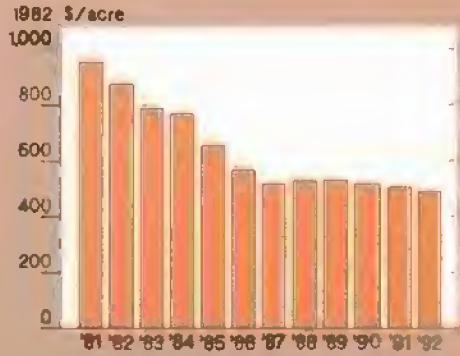
Index of prices paid by farmers

Index of prices received by farmers¹

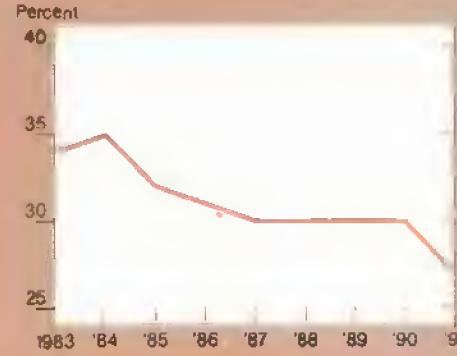
Ratio of prices received/Prices paid

Total red meat & poultry production²Red meat & poultry consumption, per capita^{2,3}Cash receipts from livestock & products⁴Corn beginning stocks⁵Corn disappearance⁵Cash receipts from crops⁴Real cash income (1987 \$)⁶

Average real value of farm real estate



Farm value/retail food costs

¹For all farm products. ²Calendar quarters. Future quarters are forecasts for livestock, corn, and cash receipts.³Sept.-Nov.; ⁴Dec.-Feb.; ⁵Mar.-May; ⁶June-Aug. Marketing years ending with year indicated.⁶Costs: expenses plus net cash income. Income: net cash income. F2 forecast.³Retail weight. ⁴Seasonally adjusted annual rate.

Commodity Overview



Livestock, Dairy & Poultry Overview

1993 Outlook Based on September Projections

- *Growth in beef, broilers, and turkey production to be more moderate, as producers face weaker returns and large supplies of most meats. But pork production expected to hit another record.*
- *Pork imports likely to remain steady and export growth to slow, although volume could hit a postwar record. Broiler exports to continue strong, but processed product exports likely to run up against strong competition from competitors with lower labor costs.*
- *Retail prices for all meats to be steady or only slightly higher.*

[For the latest livestock, dairy, and poultry outlook, see tables 10-17.]

Another Record For Pork in 1993

- Commercial pork production projected at 17.3 billion pounds, up slightly from the expected 1992 record of 17.2 billion. Growth is expected in the first half of the year.
- Barrow and gilt prices to average \$40-\$46 per cwt in 1993, with the lowest prices in the first quarter; retail pork prices to remain virtually unchanged.
- Pork imports to remain steady, near 670 million pounds. Export growth will continue, but slower than in 1991 and 1992. Exports of 405 million pounds in 1993 would be a post-war record.

Beef Production Up 1 Percent in 1993

- . . . But year-over-year increases in beef supplies won't be evident until spring quarter.
- Beef production not likely to keep up with population growth. Per capita beef supplies expected to decline by about a half pound.
- Commercial steer and heifer slaughter to increase about 275,000 head, 1 percent above 1992. Commercial steers and heifers account for about 80 percent of the slaughter supply.
- Average dressed weights, up 20 pounds since 1990, to continue increasing.
- Cow slaughter to increase slightly, but remain below 6 million head, with a larger proportion from beef herds, as dairy inventories continue to decline.
- Modest expansion of beef breeding herds to come from larger numbers of young replacement stock, and likely to affect next year's calving rate as a larger number of these heifers calve and enter the herd.

Broiler Prices Holding Steady

- Prices reflect small production increases—4 percent in the third quarter. Slower growth helped keep average broiler prices near last year's 54 cents per pound.
- October's production to increase 2-3 percent, based on weekly chick placements in August. Increases of about 4 percent likely for the fourth quarter of 1992.
- Fourth-quarter wholesale prices expected at 45-51 cents, compared with 50.5 last year. Wholesale prices typically decline following Labor Day, the traditional end of the vacation and outdoor-grilling season. Even strong exports won't help prices move up further this year.
- Retail prices of whole broilers averaging slightly below a year ago, reflecting strong competition for consumer's meat dollar. Fourth-quarter prices to be around 85 cents per pound, 1-2 cents below last year.

Modest Growth for Broilers in 1993

- Broiler production to increase about 4 percent, based on lower but positive net returns to producers for most of 1992.
- Broiler exports likely to continue strong, setting another record. Relatively low prices for dark meat parts will help the U.S. compete in world poultry markets. But increasing U.S. exports in further-processed products remains a major challenge, due to higher U.S. labor costs compared with major competitors such as Thailand and Brazil.
- Wholesale prices for whole birds expected to average 49-55 cents a pound, compared with around 51 cents in 1992.

Commodity Overview

- Retail prices for whole broilers to increase slightly, averaging around 87 cents a pound.

Gains in Turkey Output Slow

- Look for moderate production increases of 2-3 percent for 1993, supported by expected improvement in returns during fourth-quarter 1992, and anticipated lower 1993 feed costs.
- Fourth-quarter 1992 output to be about 2 percent above last year, following 3-4 percent growth in the third quarter. Lower poult placements in May point to slightly lower production in October compared with a year ago, but November's output should be higher because placements rose in June.
- Overall, 1992 turkey output to rise about 3 percent from 1991, due to more birds—approximately 1.5 percent more—and heavier weights at slaughter. Cooler weather helped weight gain, from an average 21.5 pounds in 1991 (January-June) to 21.9 pounds.

- Hen prices firmer in third quarter, but remained below the second quarter. Eastern region hens averaged 58-59 cents per pound, likely to rise seasonally to 57-63 cents in the fourth quarter. Tom prices retained their premium over hens in the third quarter, but were also below a year earlier.
- Fourth-quarter beginning stocks, at an estimated 735 million pounds, to remain record high, and about 10 percent above last year.
- Turkey consumption slowed this year, mainly because of sharply increased meat supplies—especially pork—at lower prices. Seasonal increases in turkey consumption expected in the fourth quarter as the holiday season approaches. Slower growth in pork production later next year would also boost turkey sales.

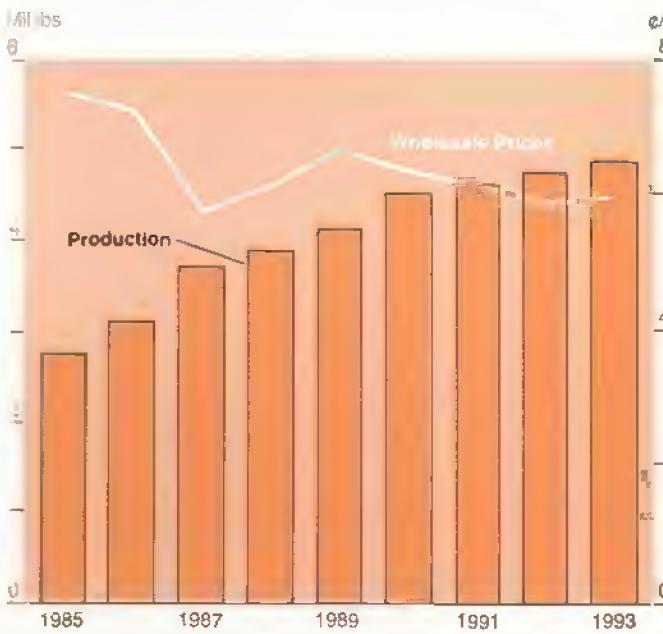
Egg Market Under Pressure

- Table-egg production at the highest level since 1988, and expected to be up over 1 percent for the year. Third-quarter output likely 1 percent above

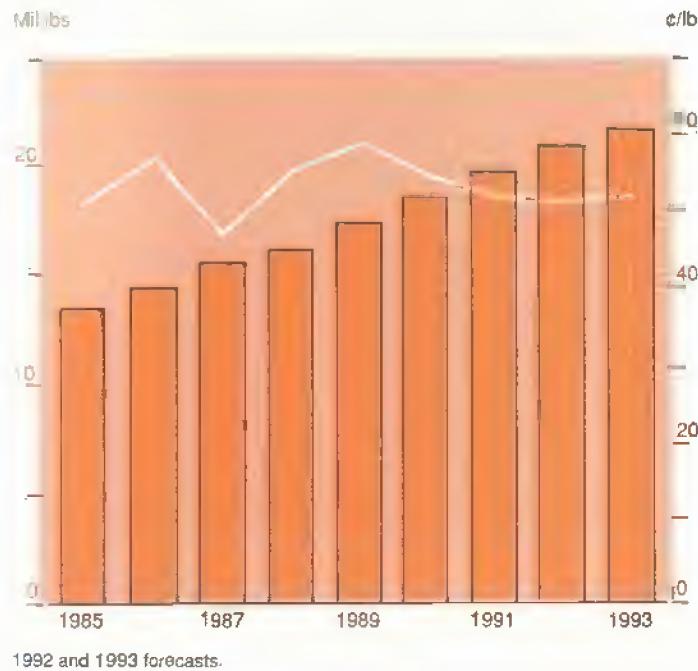
last year, and fourth quarter fractionally above a year ago.

- New York wholesale prices firmed in the third quarter, but remained well below a year earlier, with third-quarter prices expected 12 to 13 cents per dozen lower and fourth-quarter prices 2-8 cents lower.
- Table-egg flock to expand through the rest of 1992, but at a relatively slow rate. The flock typically hits an annual low in July or August, building through the rest of the year. Flock size on August 1 was about the same as in July, and only 0.6 percent above a year earlier.
- Fractionally lower egg production likely in 1993, given poor net returns in 1992. Egg-type chicks hatched during July were down 5 percent from a year earlier and eggs in incubators on August 1 were down 14 percent.
- Wholesale egg prices likely to improve in 1993, 5-8 cents above 1992, to the low 70's per dozen.
- Retail egg prices to average in the low 90's, about a nickel above this

Sluggish Prices Slow Gains in Output for Turkeys



... and for Broilers



1992 and 1993 forecasts.

Commodity Overview

Update on Poultry, Eggs, and Dairy

	Annual			1992		
	1989	1990	1991	May	June	July
Broilers						
Federally inspected slaughter, certified (mil. lb.)	17,334.2	18,553.9	19,727.7	1,740.3	1,824.7	1,820.6
Wholesale price, 12-city (c/lb.)	59.0	54.8	52.0	55.1	52.4	56.0
Stocks beginning of period (mil. lb.)	35.9	38.3	26.1	35.4	31.8	33.7
Broiler-type chicks hatched (mil.)	5,946.9	6,324.4	6,613.3	595.8	583.4	584.1
Turkeys						
Federally inspected slaughter, certified (mil. lb.)	4,174.8	4,560.9	4,651.9	374.2	434.7	450.9
Wholesale price, Eastern U.S., 8-16 lb. young hens (c/lb.)	66.7	63.2	61.2	60.0	59.5	57.0
Stocks beginning of period (mil. lb.)	249.7	235.9	306.4	430.2	486.8	580.1
Poults placed in U.S. (mil.)	290.7	304.9	308.0	28.6	28.8	29.3
Eggs						
Farm production (mil.)	67,178	67,983	69,094	5,907	5,687	5,903
Average number of layers (mil.)	269	270	274	276	275	274
Cartoned price, New York, grade A large (c/doz.)	81.9	82.2	77.5	58.9	62.0	58.6
Stocks, first of month						
Shell (mil. doz.)	0.27	0.36	0.45	0.81	1.02	1.09
Frozen (mil. doz.)	14.9	10.3	11.2	14.3	14.4	16.1
Replacement chicks hatched (mil.)	383	398	417	38.3	34.3	32.0
Milk						
Milk prod. 21 states (mil. lb.)	122,509	125,772	125,683	11,258	10,868	10,939
Milk per cow (lb.)	14,369	14,778	14,977	1,363	1,316	1,324
Number of milk cows (1,000)	8,526	8,512	8,392	8,262	8,260	8,259
U.S. milk production (mil. lb.)	144,239	148,314	148,525	13,337*	12,874*	12,897
Stock, beginning						
Total (mil. lb.)	8,379	9,036	13,359	20,050	20,703	21,469
Commercial (mil. lb.)	4,256	4,120	5,146	4,955	5,075	5,104
Government (mil. lb.)	4,122	4,916	8,213	15,096	15,628	16,364
Imports total (mil. lb.)	2,499	2,690	2,619	216	215	--
Commercial disappearance (mil. lb.)	135,370	138,922	139,384	11,944	12,362	--

*Estimated.

See tables 13 and 14 for complete terms and definitions.

year. Per capita consumption of around 232 eggs expected—slightly lower than in 1992.

- Egg exports continue strong this year, helped by low U.S. prices and continued sales through the Export Enhancement Program (EEP).

Milk Output To Rise in 1993

- Milk production to rise about 1 percent, helped by substantial expansion early in the year following relatively strong 1992 milk prices. Prices to weaken through the year,

however, slowing further output increases as the year progresses.

- Commercial disappearance to rise 2 percent (milkfat basis). Anticipated improvements in income growth and favorable prices would boost sales of products made from whole milk or cream. But commercial use of skim solids to be stagnant, because market prices will remain high.
- Government net removals of surplus milkfat to fall 2-3 billion pounds, milk equivalent. Surplus of skim solids to be larger than 1992, but remain small.

- Larger surplus of skim milk solids will probably stabilize farm milk prices. By spring, milk prices projected to fall below a year earlier. Annual average to decrease about 90 cents per cwt.

For further information, contact: Richard Stillman and Agnes Perez, coordinators; Steve Reed, cattle; Leland Southard, hogs; Lee Christensen and Larry Witucki, poultry; Jim Miller and Sara Short, dairy. All are at (202) 219-1285. 

Commodity Overview

Field Crops Overview

Domestic Outlook—September Projections For 1992/93

Corn Yields To Set Record

- Based on September 1 conditions, corn yields—pegged at 121.4 bushels per acre—will boost production 17 percent above 1991/92. This is up slightly from the August 1 forecast.
- The 121.4 bushels would be a record, and production would be the highest since 1985/86. Objective yield surveys indicate record-high ear counts and near-record stalk counts.
- Between August 1 and September 1, Illinois and Indiana yields remained at 130 bushels per acre; Iowa yields remained at 131 bushels. Yields increased in Kansas, Missouri, Ohio, and South Dakota, but fell in Colorado and Nebraska.
- In contrast to the steady rains of July, less-than-normal rainfall hit the central Corn Belt in August. Central Illinois received less than half an inch of rain, and Peoria's 0.25 inches gave it the driest August in 136 years.
- Below-normal temperatures continued in the Corn Belt. In Dubuque, Iowa, an average temperature of 64 degrees—about 6 degrees below normal—resulted in a record-cold August, toppling the previous record set in 1915.
- Abnormal coolness has delayed crop progress. As of September 20, only 28 percent of the corn crop was mature, well behind last year's 79 percent and the 5-year average of 69 percent. Harvest was underway in the southern Corn Belt.

• Total corn use forecast up 1 percent from 1991/92. Feed use to be up due to tighter barley and oat supplies, expanded livestock production, and lower corn prices. Industrial use also up, but exports down slightly as world trade slips.

• Despite slightly higher use, the larger corn crop expected to push ending stocks nearly 70 percent higher and reduce season-average prices below 1991/92.

• Lower area brings barley production down 7.5 percent from 1991/92, despite September projections calling for a record yield of 58.9 bushels per acre. If realized, that yield would exceed the previous record of 57.2 bushels set in 1982.

• The September yield projection for barley is up nearly 9 percent from the August forecast. The reason: cool weather and adequate rainfall in Minnesota and the Dakotas.

Sorghum & Barley Yields Also Up

• Sorghum prices down in 1992/93, accompanying a 46-percent jump in production. Yields to average 9.7 bushels per acre higher than in 1991/92; harvested area also up.

Soybean Yields a Record . . .

• Based on September 1 conditions, soybean yields—at 35.9 bushels per acre—up 0.1 bushels from the August 1 forecast, and 1.6 bushels from

U.S. Field Crops—Market Outlook at a Glance

	Area		Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price
	Planted	Harvested							
	-- Mil. acres --		Bu/acre		Mill. bu				\$/bu
Wheat									
1991/92	69.9	57.7	34.3	1,981	2,888	1,134	1,281	472	3.00
1992/93	72.3	63.1	36.2	2,407	2,922	1,073	1,175	674	2.95-3.25
Corn									
1991/92	76.0	68.8	108.6	7,474	9,016	6,345	1,590	1,061	2.40
1992/93	70.3	72.2	121.4	8,770	9,861	6,485	1,550	1,826	1.85-2.25
Sorghum									
1991/92	11.0	9.8	59.0	579	722	354	290	78	2.32
1992/93	13.5	12.3	68.7	847	925	485	300	140	1.75-2.15
Barley									
1991/92	8.9	8.4	55.2	464	624	400	95	130	2.10
1992/93	7.8	7.3	58.9	429	579	340	110	129	1.95-2.25
Oats									
1991/92	8.7	4.8	50.6	243	489	360	2	127	1.20
1992/93	8.0	4.8	57.6	276	443	335	1	107	1.25-1.55
Soybeans									
1991/92	59.1	58.0	34.3	1,986	2,320	1,345	690	285	5.60
1992/93	59.1	58.1	35.9	2,085	2,375	1,350	710	315	5.10-5.70
Rice									
1991/92	2.86	2.75	5,617	154.5	184.2	92.0	65.0	27.3	7.70
1992/93	3.03	2.97	5,524	164.0	196.7	93.1	74.0	29.6	6.50-7.50
Cotton									
1991/92	14.1	13.0	652	17.6	20.0	9.6	6.7	3.8	58.30*
1992/93	13.4	11.2	683	15.9	20.0	9.7	6.3	3.8	—

Based on September 10, 1992 World Agricultural Supply and Demand Estimates; U.S. marketing years for exports

*Weighted-average price for August-March; not a season average.

See table 17 for complete definition of terms

last year's record. If the record is realized, the 1992 crop would be the largest since 1985/86.

- September yield prospects showed improvements in the Delta and certain eastern states compared with August 1. Declines in Michigan and Wisconsin were due to persistent cooler-than-normal weather.
- The pace of soybean development quickened somewhat in August, but continued to be delayed. As of September 20, about 39 percent of the soybean crop was dropping leaves, behind last year's 56 percent and the 5-year average of 50 percent.
- Soybean use during 1992/93 up 1 percent. Soybean exports expected up 3 percent, due in part to reduced rapeseed production in the EC and Canada. Crush to be up slightly.
- Ending soybean stocks projected 11 percent above carryin, with prices averaging somewhat below last year. U.S. soybean meal and oil prices both near last year's levels.

... And So Are Spring Wheat Yields

- "Other spring wheat" production to hit a record 719 million bushels, 42 percent higher than in 1991. Spring wheat yields would be 3 bushels above 1990's record of 36.7. Cool weather and adequate rains aided yield prospects.
- Spring wheat harvest active, but late ripening of the crop and scattered rains checked harvest progress. Spring wheat harvest was 77 percent complete as of September 20, compared with a 5-year average of near 100 percent.
- Overall, U.S. wheat output for all classes up 22 percent from 1991/92, and up 3 percent from the August 1 forecast. The U.S. average yield for all classes forecast 3.9 bushels above last year, and 1.2 bushels above the August 1 forecast.

Emergency Funds Available for Crop Losses

Hurricane Andrew was among the factors leading to an announcement of an additional \$755 million in emergency assistance for agricultural disasters, including damage caused by the recent hurricanes. The aid will cover not only 1992 losses, but also 1990 and 1991 crop losses for which disaster payments were not received. This amount is in addition to \$995 million in disaster aid already paid out for 1990 and 1991 crops, which was announced on January 2 (Phase I).

These amounts together—\$995 million plus \$755 million—comprise the \$1.75 billion in crop-loss aid signed into legislation last fall. (On September 18, Congress appropriated additional funds for agricultural disaster relief. More details will be provided in the next *Agricultural Outlook*.)

The \$755-million aid package is being provided in two phases. Phase II allocates \$100 million for disaster claims for fall-seeded program crops, such as winter wheat, planted in 1991 and harvested in 1992. Parts of the Plains experienced particularly adverse conditions this past winter and spring. The application period for Phase II is September 8 through October 2.

Phase III consists of the remaining \$655 million. This amount is available to producers who sustained losses on 1992 crops (including damage caused by "Andrew"), to producers who suffered losses to fall-seeded

crops and who did not apply during Phase II, and to producers with 1990 or 1991 crop losses who did not receive disaster payments for those losses. The signup period for Phase III is October 13, 1992 through February 12, 1993.

To be eligible for a portion of the \$755 million, producers with crop insurance must have losses greater than 35 percent. For those without insurance, losses must exceed 40 percent. Producers with 1992 crop losses may be required to purchase crop insurance for 1993 to have claims honored. If producers received prior emergency aid for 1990 or 1991 losses, they are not eligible to receive further assistance for either of those years.

Because payments are limited by the \$755-million allocation, producers are not assured of coverage for the entire amount of claims. Last April, USDA prorated payments for crop losses by a national factor of 50.04 percent to meet the limits of the \$995-million appropriation under Phase I.

An as-yet-unknown national allocation factor will be determined separately for Phase II and for Phase III. The final allocation factor for each phase cannot be determined until the application periods have been completed and claims are verified.

[Joy Harwood (202) 219-0840]

- Total use for all wheat down 7 percent in 1992/93, with exports down 8 percent due to lower global trade and continued large EC supplies. Domestic use down 5 percent from last year due to lower wheat feeding, as wheat prices expected high relative to corn prices.

- Ending stocks in 1992/93 forecast 43 percent above carryin, with season-average prices expected near 1991/92's \$3 per bushel.

Cool, Damp Weather Lowers Rice Prospects . . .

- With beginning stocks and production forecast higher in 1992/93 than in 1991/92, rice supplies expected up almost 7 percent. Area up compared with last year, but yields down nearly 2 percent.
- For 1992, the September 1 yield forecast down slightly from the August 1 forecast, due to declines in Texas, Louisiana, and Mississippi.

Commodity Overview

The reason: cool, damp weather and damage from Hurricane Andrew.

- Ratoon (second crop) prospects have diminished in Louisiana and Texas due to relatively cool weather.
- About 58 percent of the crop had been harvested as of September 20, ahead of the 5-year average of 49 percent. Harvest 89 percent complete in Louisiana, ahead of average, and 80 percent complete in Texas, slightly behind.
- Domestic use and exports to be higher in 1992/93 than last year, up 1 and 14 percent, respectively. These levels reflect lower prices relative to 1991/92, and are little changed from the August projections.
- Ending stocks forecast 8 percent higher than carryin. Prices are expected in the \$6.50-\$7.50 range for 1992/93, below this year's \$7.50-\$7.55.

... With Cotton's Situation Similar

- Production expected down 9 percent from 1991/92's relatively high level, due to lower expected acreage. This forecast down more than 3 percent from last month. Texas producers continue to abandon acreage due to cool, wet weather—only two-thirds of planted area is expected to be harvested.
- Total use in 1992/93 to fall 2 percent from 1991/92. Domestic use up 1 percent, as mill use remains strong. But exports down 6 percent.
- Ending stocks at 3.8 million bales, down 7 percent from last month's forecast and equal to the carryin level.
- Crop progress slightly behind the 5-year average, due to cool temperatures and rains. As of September 20, bolls opening on 49 percent of the crop, compared with a 5-year average of 57 percent.

[Joy Harwood (202) 219-0840]

Crop Progress Report

Update on U.S. Cotton

September 1 conditions point to lower cotton acreage.

- Planted area of 13.4 million acres about 5 percent below 1991/92, and growers likely to harvest only 11.2 million acres, a 3-year low. Anticipated abandonment of 2.2 million acres would be the largest since 1953, when 2.5 million acres were abandoned.

- The season began ahead of the historical average, but a cool, wet June forced growers in Texas to abandon substantial acreage. Texas abandonment this season is estimated at 2.1 million acres.

- Late planting and cooler-than-normal temperatures in the southern states have put crop development behind normal.

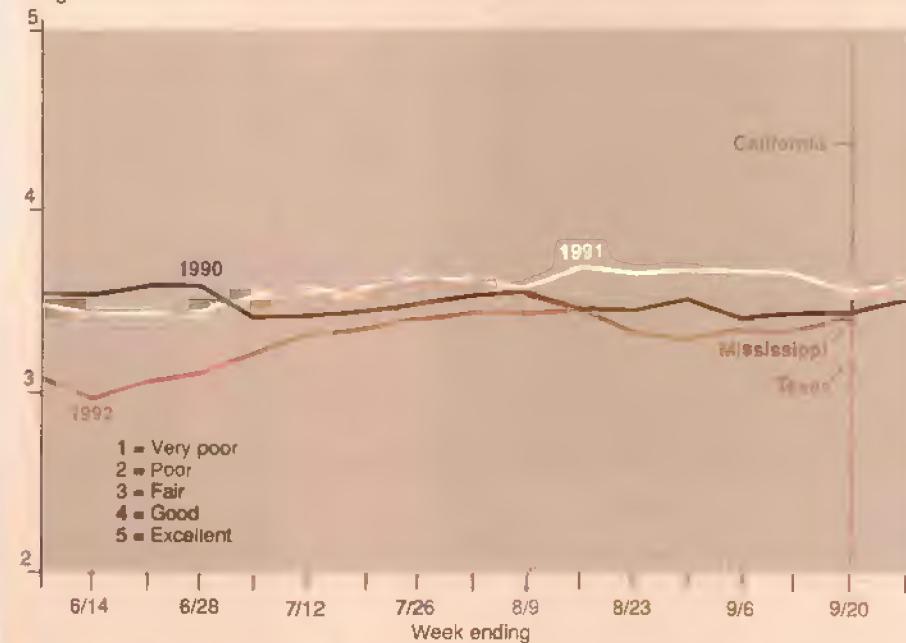
Large Acreage Abandonment Reduces Cotton Crop Potential

	Planted		Harvested		Abandoned		Production	
	U.S.	Texas	U.S.	Texas	U.S.	Texas	U.S.	Texas
----- MI. acres -----								
1986	10.0	4.9	8.5	3.5	1.6	1.4	9.7	2.6
1987	10.4	4.7	10.0	4.4	0.4	0.3	14.8	4.7
1988	12.5	5.6	11.9	5.3	0.6	0.3	15.4	5.3
1989	10.6	4.7	9.5	3.8	1.0	0.9	12.2	3.0
1990	12.3	5.6	11.7	5.1	0.6	0.5	15.5	5.0
1991	14.1	6.4	13.0	5.5	1.1	0.9	17.6	4.8
1992*	13.4	5.7	11.2	3.6	2.2	2.1	15.9	3.1

*September estimates.

Cotton Crop Encounters Cool, Wet Weather in the South

Rating



Crop Progress Report

- Cotton production of nearly 16 million bales would be below last season and the 1937 record of nearly 19 million bales, but still third highest on record.
- Despite lower output nationally, a few major states, such as California, Arkansas, and Louisiana, are expected to raise production from 1991/92.

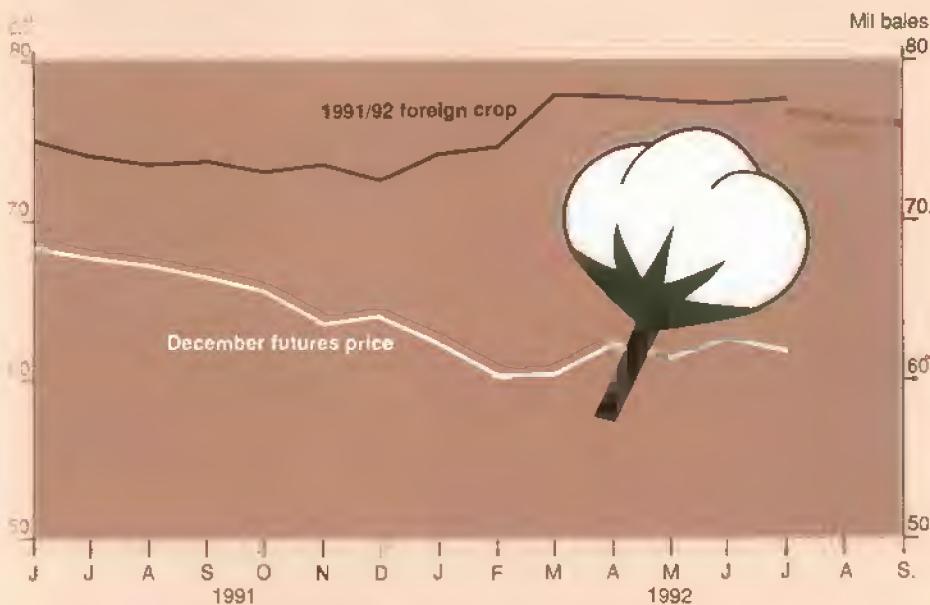
Cotton conditions improve in late September.

- As of September 20, the U.S. average rating of 3.33 puts the overall condition of the crop in the fair to good range, but slightly below the previous two seasons.
- Among major cotton states, ratings as of September 20 were highest in California, with the entire crop rated good to excellent. Ratings were lowest in Texas (only 25 percent good to excellent).

Forecasts for National Upland Cotton Yields Drop In September

	Forecast yield			Difference (Sept.-Aug.)	Difference (final-Sept.)
	August	September	Final		
Lbs/acre					
1986	569	564	547	-8	-14
1987	612	613	702	1	89
1988	611	599	615	-12	16
1989	584	607	602	23	-5
1990	616	611	632	-5	21
1991	626	634	650	8	16
1992	690	678	-	-12	-

Prospects for Larger Foreign Cotton Output Pressure U.S. Cotton Prices



Monthly forecast for crop year from World Agricultural Supply and Demand Estimates.

Yield forecasts decline, but remain high.

- Yield prospects in September revised downward in most of the major producing states. The national upland cotton yield is placed at 683 pounds per harvested acre, down from August, but still the second highest.
- USDA will update the cotton yield forecast in October, November, December, and January, and issue a final estimate in May. Some years have seen substantial revisions between early-season forecasts and final yields, particularly when crop development is behind schedule.

Despite poor weather, prices continue to fall...

... As large foreign production prospects and an above-average U.S. crop pressure U.S. and world cotton prices this summer.

Steep declines in December cotton futures occurred in August and continued into September, with the contract low of 53.6 cents per pound set on September 10.

[Bob Skinner and Les Meyer (202) 219-0840]

Commodity Overview

Global Outlook: 1992/93 Projections

World Wheat Output Down

- ... As a larger U.S. crop offsets declines in the EC, Eastern Europe, Canada, and Argentina.
- Record EC carryin to push up EC export share, despite smaller output.
- Freezing temperatures, snow, and rain in Canada recently reduced the quality of a sizable portion of an already late crop. Total Canadian exports down, but more wheat for feed will be exported.
- World trade forecast down 7 percent, largely because of declines in imports by China and former USSR. U.S. export market share to drop to 31.7 percent, but prospects likely to improve with the forecast decline in Canadian exports and the recent 29.1-million-ton EEP announcement.

U.S. Corn Export Share To Grow

- ... But global corn imports decline significantly, largely in the former USSR, so overall market is smaller.
- U.S. corn exports to drop below the 1991/92 level, due to wider availability of wheat for feed, particularly in the South Korean market. Nevertheless, market share rises to 70 percent.
- Gains in 1992/93 world corn production, primarily in the U.S. Gains also expected for former USSR and for South Africa, assuming recovery from 1991/92 drought.

U.S. Share of Rice Trade To Move Up

- ... As U.S. supplies rebound, growth of domestic use slows, U.S. prices decline, and foreign exports slip.

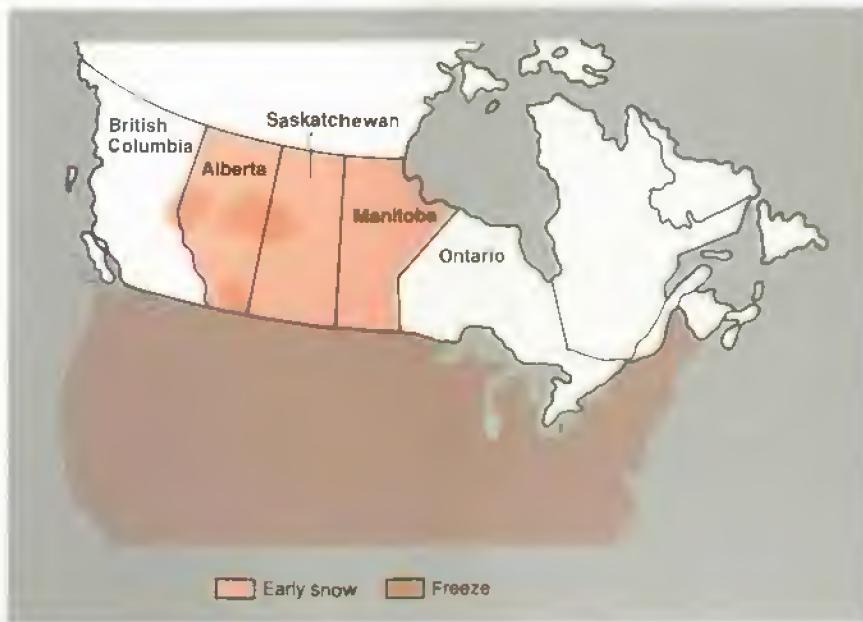
Lower Grain Exports In 1992 Global Outlook

	Year ¹	Production	Exports ²	Consumption ³	Carryover
<i>Mil. tons</i>					
Wheat	1991/92	543.0	108.2	557.0	129.5
	1992/93	539.4	100.9	540.0	129.0
<i>Mil. tons</i>					
Coarse grains	1991/92	801.4	95.8	807.4	131.0
	1992/93	818.3	87.7	804.3	144.9
Corn	1991/92	485.3	63.8	487.5	78.1
	1992/93	515.8	56.8	497.3	96.5
Rice	1991/92	347.2	14.0	352.9	54.6
	1992/93	352.0	13.4	355.3	51.3
Oilseeds	1991/92	221.7	36.2	183.7	21.5
	1992/93	224.4	36.1	184.8	22.2
Soybeans	1991/92	105.3	27.6	91.5	18.3
	1992/93	109.8	28.6	92.2	19.5
Soybean meal	1991/92	72.3	27.8	71.9	3.0
	1992/93	72.9	27.1	73.1	2.8
Soybean oil	1991/92	16.6	4.0	16.0	2.1
	1992/93	16.7	4.0	16.7	2.1
<i>Mil. bales</i>					
Cotton	1991/92	95.2	22.4	85.6	38.9
	1992/93	92.1	22.7	88.0	42.5

¹ Marketing years are: wheat, July-June; coarse grains and corn, October/September; oilseeds, soybeans, meal, and oil, local marketing years except Brazil and Argentina adjusted to October-September; cotton, August-July. ² Rice trade is for the second calendar year. ³ Crush only for soybeans and oilseeds.

Source: Foreign Agricultural Service, USDA.

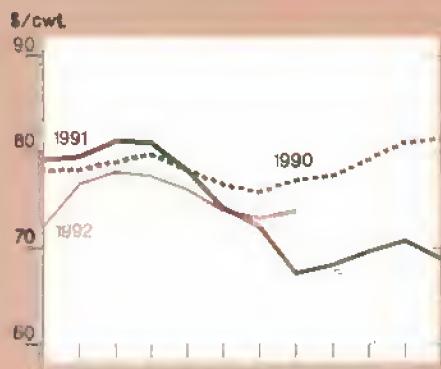
Recent Cold Snap Clips Canada's Wheat Crop Quality



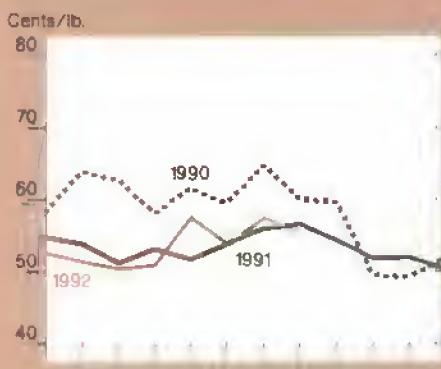
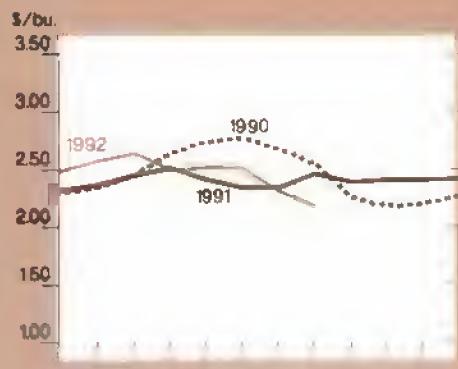
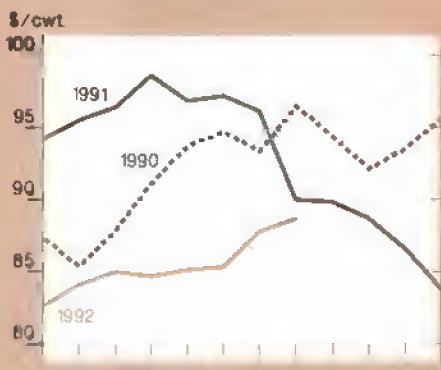
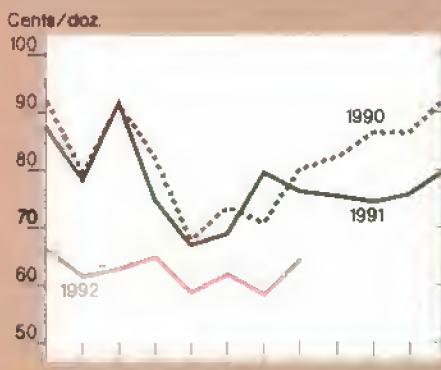
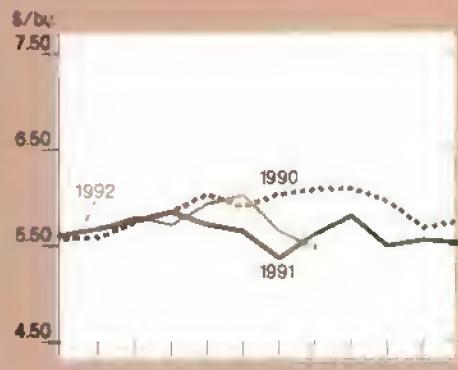
Commodity Market Prices

Commodity Overview

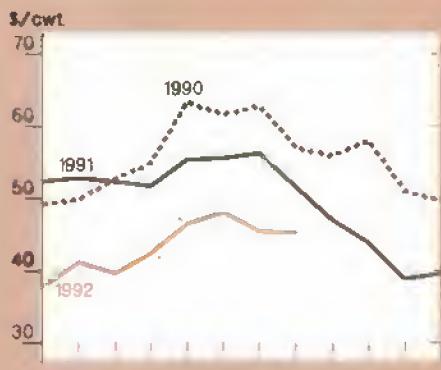
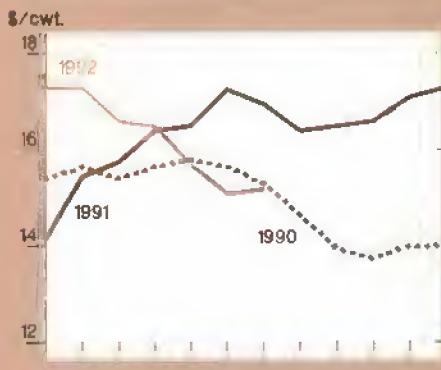
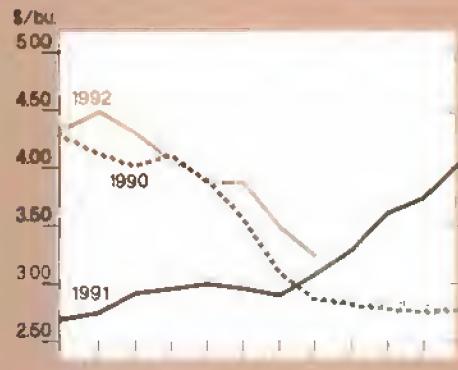
Choice steers, Nebraska



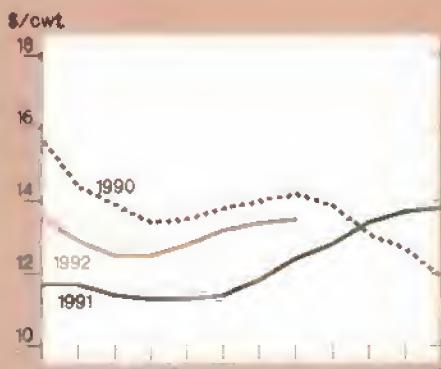
Broilers, 12-city average

Corn, Central Illinois¹Medium steers, Oklahoma City²Eggs, New York³Soybeans, Central Illinois⁴

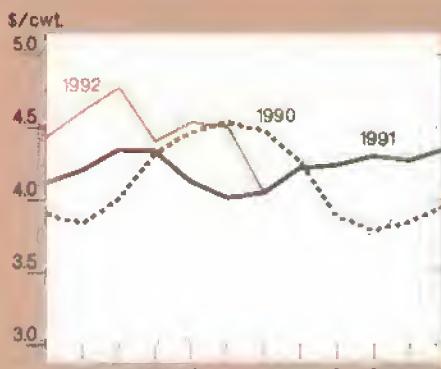
Barrows and gilts, 6 markets, Omaha

Milled rice, SW Louisiana⁵Wheat, Kansas City⁶

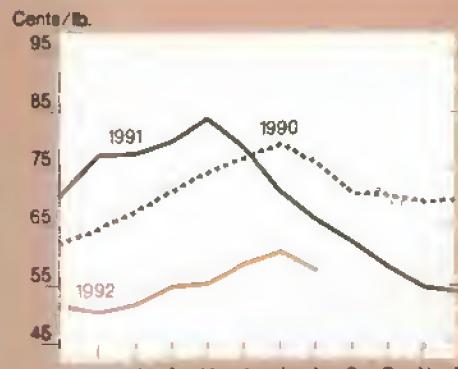
All milk



Sorghum, Kansas City



Cotton, average spot market

¹No. 2 yellow. ²600-700 lbs. medium no. 2.³Grade A large.⁴No. 1 yellow.⁵U.S. No. 2, long-grain.⁶No. 1 HRW.

Commodity Overview

- Calendar 1993 world trade to decline from 1992. Much-reduced Indonesian imports—reflecting a larger crop—to offset greater Mideastern imports.

Soy Products In Higher Demand

- ... As EC, Eastern European, and Canadian rapeseed production falls, and Mexico expands its livestock sector.
- Stronger demand to buoy U.S. exports of soybeans, despite keen export competition. U.S. soybean meal exports remain relatively high, but below last year.
- Low foreign carryin of vegetable oils and new export support programs could raise U.S. soybean and other oil exports above the relatively high 1991/92 level, despite larger palm oil supplies.

U.S. Cotton Exports To Drop

- ... As the second-largest foreign output leads to higher foreign exports, up 5 percent.
- U.S. exports to drop to 6.3 million bales, down 6 percent, and market share to slip to 28 percent but remain about average.
- Consumption to be record, but world production to exceed consumption and surplus stocks to rise further.

(Carol Whitton (202) 219-0824)

For further information, contact: Sara Schwartz, world wheat; Randy Schnepf, world rice; Edward Allen, domestic wheat; Janet Livezey, domestic rice; Pele Riley, world feed grains; Tom Tice and Jim Cole, domestic feed grains; Nancy Morgan and Jaime Castaneda, world oilseeds; Scott Sanford and Roger Hoskin, domestic oilseeds; Carol Whitton, world cotton; Bob Skinner and Les Meyer, domestic cotton. World information (202) 219-0820; domestic (202) 219-0840. **AO**

Hurricane Andrew Strikes Florida, Lower Mississippi Valley

Hurricane Andrew battered Florida's Dade County agricultural area south of Miami on August 24, bringing winds of 140-plus miles per hour and 1-5 inches of rain. The hurricane reached south central Louisiana on August 26, weakening rapidly, but dumping more than 4 inches of rain through Mississippi and eastern Louisiana, with up to 10 inches deluging areas north of Baton Rouge.

Most of Florida's limes, avocados, and mangos lay in Andrew's path through Dade County, and severe damage is reported to all three crops. Dade County is the only site of commercial-sized mango production in the U.S. and accounts for most U.S. lime production. Florida also provides 15-20 percent of U.S.-produced avocados.

Because harvest was well underway, losses to this year's production were less than if the hurricane had hit earlier in the season. About 50 percent of the 1992/93 lime crop and nearly all of the mangos had been harvested before the storm. Harvest had been completed on about 30 percent of the avocado crop. As of early September, no survey had been made of the number of broken or uprooted trees. But fruit unharvested at the time of the hurricane was lost, and considerable tree damage occurred.

Florida supplies about 5 percent of the mangos consumed in the U.S., and one-third of the limes. Mexico is the chief source of imported limes, while Mexico and Caribbean countries supply mangos. Increased imports of these commodities are expected to moderate any effects of the storm on consumer prices.

Florida, which ships greenskin avocado varieties, accounted for 16 percent of total reported shipments in 1991. Alternate sources are California and imports, mainly from Chile and the Dominican Republic. California expects a large avocado crop in 1992/93 and will fill some of the sup-

ply void left by Andrew. Chile also will likely ship more avocados to the U.S. this year.

Severe damage was sustained by Dade County's nursery and greenhouse industry, which has produced an estimated \$150 million annually in tropical plants, bedding plants, and foliage. The county reportedly grew more than 200 types of plants in nurseries. About two-thirds of the horticultural crops were grown in shade houses, many of which were destroyed.

Because Florida's winter vegetables had not yet been planted, hurricane damage is expected to be minimal. Although most of Dade County's packing sheds were reportedly damaged or destroyed, the effect on supplies this winter is unlikely to be noticeable. Some packing facilities will be repaired by January when Dade County's harvest begins in earnest. Produce could be hauled to other counties for packing.

Hurricane Andrew also affected crops in the lower Mississippi Valley. In Louisiana, sugarcane in coastal parishes sustained severe damage, caus-

Hurricane Andrew Jostles Louisiana's Rice, Cotton, and Sugarcane Ratings

	Good-excel- lent	Fair	Poor- very poor
<i>Percent</i>			
Rice:			
Aug. 23	42	58	0
Aug. 30	21	69	10
Sept. 20	20	70	10
Cotton:			
Aug. 23	49	50	1
Aug. 30	57	41	2
Sept. 20	25	51	24
Sugarcane:			
Aug. 23	100	0	0
Aug. 30	37	10	53
Sept. 20	2	69	29

Commodity Overview

Specialty Crops Overview

ing the statewide sugarcane rating to plummet from 100 percent good to excellent on August 23 to 53 percent poor or very poor on August 30. In September, USDA reduced its sugarcane production forecast for Louisiana by 19 percent.

The rice crop was also affected by the storm as well as by the cool, damp weather that has hampered crop prospects this season. In Louisiana, the share of the crop rated good to excellent fell 21 points between August 23 and 30, from 42 to 21 percent. However, Louisiana's harvest was well underway by the time of the hurricane, particularly in the southwest part of the state. In Mississippi, where harvest was just starting, crop conditions also deteriorated that week. Yield prospects dropped for both states between August 1 and September 1.

For cotton, hurricane-related rains in the Louisiana Delta actually improved crop conditions in certain areas, with the portion of the Louisiana crop rated good or excellent increasing from 49 percent on August 23 to 57 percent on August 30. By September 20, however, cotton crop conditions were reportedly worse, with the portion of the crop rated good to excellent slipping to 25 percent.

As with rice, persistent cool weather and rains have adversely affected yield prospects over the season, with cotton yield forecasts in Louisiana and Mississippi dropping between August 1 and September 1.

(Glenn Zepp (202) 219-0883 and Joy Harwood (202) 219-0840).

Outlook for Major Tree Nuts

Almond output up . . .

- But total supply lower than in 1991/92 because of smaller carryover stocks. Production estimated 12 percent higher than in 1991; cool weather and fog prevented an even larger crop by hampering pollination.
- Prices expected higher because of the smaller supply and anticipation of continued strong demand.

But walnut crop declines.

- And supply also expected lower with carryover stocks only moderately higher than last year. Primary reasons for the smaller crop are an

uneven bloom and the alternate-year bearing characteristics of some varieties.

- Lower production, good quality, and strong domestic demand should keep the U.S. average grower price in 1992/93 near last year.

Pecan output down.

- Because of weather, disease, and insect problems, as well as the alternate bearing nature of pecans. Marketable pecan production estimated 26 percent lower than in 1991.
- Larger carryover stocks are not enough to offset smaller production. So, total supply will drop below 1991/92, and the average price is expected higher than a year earlier.

Hazelnuts and pistachio production up.

- Hazelnut (filbert) output is forecast 2 percent higher than last year's record.
- Marketable pistachio production is forecast up 51 percent from last

U.S. Sugar Output Forecast Lowered After Hurricane Andrew

	1990/91	1991/92	1992/93 projections	
			August	September
1,000 short tons, raw value				
Beginning stocks	1,210	1,513	1,438	1,381
Production	6,915	7,200	7,750	7,500
Beet	3,855	3,740	4,150	4,100
Cane	3,060	3,460	3,600	3,400
Imports	2,825	2,188	NA	1,997
Quota	2,298	1,480	NA	1,357
Other	527	708	NA	640
Total supply	10,950	10,901	NA	10,878
Exports	682	620	620	590
Domestic use	8,753	8,875	9,000	9,000
Total use	9,437	9,520	9,645	9,615
Ending stocks	1,513	1,381	NA	1,263
¢/lb				
Price	21.89	21.40*	NA	NA

Based on September 10, 1992, World Agricultural Supply and Demand Estimates for fiscal years beginning October 1.

*Average first 10 months.

NA = Not available.

Commodity Overview

Output of Almonds, Pistachios To Rise, But Walnuts Fall

Commodity/season	Marketable production ¹	Imports	Beginning stocks	Total supply	Consumption	Exports	Ending stocks	Grower price ²
1,000 lbs. (shelled)								
\$/lb								
Almonds:								
1990/91	615,752	83	219,930	835,765	192,660	359,950	283,155	0.93
1991/92	461,631	156	283,155	744,942	216,582	377,879	150,481	1.14
1992/93	518,000	220	150,481	668,701	182,952	360,000	125,749	N.A.
Pecans:								
1990/91	97,530	27,816	58,260	183,606	120,325	17,389	45,892	1.21
1991/92	118,933	20,157	45,892	184,982	117,771	16,884	50,327	1.04
1992/93	88,150	30,000	50,327	168,477	110,000	12,000	46,477	N.A.
Pistachios:								
1990/91	42,047	617	10,045	52,709	29,805	6,041	16,864	1.02
1991/92	25,432	137	16,864	42,433	26,480	10,953	5,000	1.25
1992/93	38,500	100	5,000	43,600	26,000	11,000	6,600	N.A.
\$/ton								
Hazelnuts:								
1990/91	13,668	10,069	1,107	24,844	17,141	4,726	2,977	784
1991/92	18,923	6,148	2,977	28,048	14,306	7,141	6,601	726
1992/93	19,292	1,600	6,601	27,493	16,293	8,000	3,200	N.A.
Walnuts:								
1990/91	180,800	96	54,196	235,092	122,453	63,902	48,737	1,040
1991/92	210,436	65	48,736	259,237	131,162	72,386	55,689	1,080
1992/93	172,200	100	55,689	227,989	125,000	70,000	32,989	N.A.

1992/93 forecast

N.A. = Not available

Season beginning July 1 for almonds, hazelnuts, pecans; August 1 for walnuts; September 1 for pistachios.

¹ Total production less inedibles and noncommercial usage. ² In-shell basis, except almonds.

year, but 8 percent lower than the record crop 2 years ago. The pistachio industry expanded acreage in recent years, and 1992 is an "up year" in the pistachio's alternate bearing pattern.

Sugar Output Estimate Revised Down

... By 3 percent, due to wind damage caused by Hurricane Andrew in Louisiana and anticipated below-average recovery in beet areas. Louisiana production for fiscal 1992 now estimated at 0.8 million tons, down from 1 million prior to the storm. In Florida, where sugarcane escaped the brunt of Andrew, production estimate is unchanged.

- The production estimate may have to be reduced further in October, because of damage to the sugarcane crop on Kauai, Hawaii, from Hurricane Iniki. Kauai accounts for about a quarter of Hawaii's sugar production, which is estimated at about 730,000 tons for 1992/93.
- U.S. sugar use expected to rise 1.4 percent during fiscal 1992/93, from stronger-than-expected domestic deliveries during the second half of 1991/92. Deliveries were sluggish during the first half of fiscal 1992 because of the weak economy and higher prices for some sugar-containing products.
- USDA announced a tariff-rate import quota for 1992/93 of 1.357 million short tons, raw value. In setting the 11-percent-lower import quota, USDA attempts to balance sugar supply with use at prices that assure sugar loan repayment under the program.
- The tariff-rate quota allows a fixed amount of sugar (1.357 million tons) into the country at a relatively low duty, with additional imports at a much higher duty. The quota is allocated among sugar exporting countries on the basis of historical shipping patterns.
- USDA also announced that marketing allotments for domestic sugar processors will not be imposed during the first quarter of fiscal 1993 (October-December). The announcement reflects that estimated

Commodity Overview

Marketing Allotments Can Ensure Minimum Sugar Imports

Before the beginning of each fiscal year (1992 through 1996), the Secretary of Agriculture is required to estimate U.S. sugar imports for the coming fiscal year, according to a formula provided in the 1990 farm act. If the estimate is less than 1.25 million short tons (raw value), marketing allotments (limits on sales by domestic sellers) would be imposed to ensure a level of imports of at least 1.25 million short tons.

If imposed, the overall marketing allotment would be allocated among domestic processors of beet and cane sugar on the basis of 1) past marketings, 2) processing and refining capacity, and 3) ability of the processors to market sugar.

Imports are reassessed quarterly, and if it becomes evident that any changes in the estimates of consumption, production, or stocks will result in less than 1.25 million tons of imports, marketing allotments for the fiscal year would be imposed at the next quarter. USDA estimates annual consumption, production, imports, exports, and stocks monthly throughout the year.

Marketing allotments guarantee certain foreign producers a minimum share of the lucrative U.S. sugar market. Exporters usually receive substantially higher prices for sugar sold in the U.S. than in most other world markets.

Imports for fiscal 1993 will not be below the trigger level of 1.25 million short tons for establishing marketing allotments under the current sugar program legislation. Allotments could be imposed in later quarters.

Catfish Prices Move Lower

- ... Due to a buildup in processors' stocks. Producers overexpanded in 1990 and 1991, resulting in a buildup in food-size fish for marketing in 1992.
- Prices expected to strengthen this fall, as producers' inventories of food-size fish decline and processors work off excess stocks.
- The July 1 inventory of small food-size fish (0.75 to 1.5 pounds) was 15 percent lower than a year earlier, which will reduce supplies in coming months. The number of all stockers and fingerlings was also lower, down 12 percent from July 1991.
- Current low prices are causing supply to contract as inventories decline. But long-term prospects are for continued growth in catfish sales, as new technologies bring down production costs and consumer demand increases. Processor sales grew an average of nearly 20 percent a year between 1980 and 1991, but more slowly during the last 5 years, at 12 percent.

(Glenn Zapp (202) 219-0883)

For further information, contact: Dennis Shields and Diane Bertelsen, fruit and tree nuts; Gary Lucier, vegetables; Peter Buzzanell, sweeteners; Doyle Johnson, greenhouse/nursery; Verner Grise, tobacco; David Harvey, aquaculture; Lewrene Glaser, industrial crops. All are at (202) 219-0883. **AO**

Commodity Spotlight



Potatoes—An American Classic

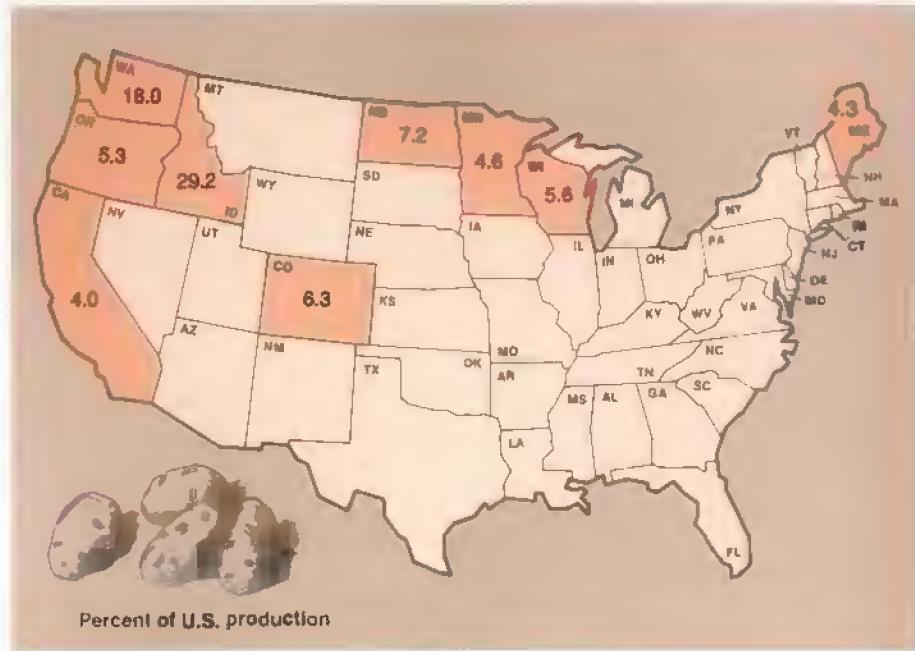
Food fads come and go, but one food that has survived the changes in Americans' eating habits is the potato. Pound for pound among U.S. crops, only wheat flour tops potatoes in importance in the American diet. The U.S. consumer eats over 100 pounds of potatoes annually on average; in 1991, per capita consumption (on a fresh-equivalent basis) topped 130 pounds.

While producers experiment with exotic specialty crops to diversify their operations, potatoes remain the most important vegetable crop in the U.S., providing vegetable growers with one-fifth of their cash receipts. Potatoes have returned \$1.5-\$2.5 billion annually to U.S. farmers in recent years and rank seventh in importance among U.S. crops.

Some states rely on potatoes for a major source of farm income. Maine and Idaho, for example, earned 31 and 24 percent of their 1990 farm cash receipts from the sale of potatoes. About 14,000 U.S. farms produce potatoes, with 70 percent of the crop grown under irrigation.

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Nine States Produce Over 80 Percent of U.S. Potato Crop



The U.S. produces only about 6 percent of the world's potatoes, but is the fourth-largest potato producer in the world, after the former USSR, Poland, and China (PRC). The three top producing countries grow much of their crop specifically for livestock feed, whereas in the U.S. barely 1 percent is fed to livestock.

Potatoes in Every State, But Idaho Is Tops

According to the Census of Agriculture, potatoes are grown commercially in every state in the U.S. Production estimates by USDA currently cover the top 35 producing states. Over the past few years, nine states have consistently accounted for about 80 percent of output: Idaho, Washington, North Dakota, Colorado, Oregon, Wisconsin, Maine, California, and Michigan.

In the U.S., potatoes are produced throughout the year. Potatoes are grown in California and Florida during the winter, and in California and several southern states in the spring. During the summer, southern and some central states produce a crop similar in size to the spring crop. The fall crop, stored mostly for distribution through the fol-

lowing spring, grows in the western, northeastern, and north central states.

Idaho has consistently led the nation in potato production after surpassing Maine in 1957. A combination of favorable climate, soils, varieties, and irrigation has helped the state to quadruple production since 1950. In 1991, Idaho produced 30 percent of the U.S. potato crop, and led the nation in shipments of both fresh potatoes and processed products (largely frozen). The popular Russet Burbank variety accounts for about 90 percent of all potatoes produced in Idaho. This variety is well suited to the exacting demands of both fresh and processing markets.

In the Pacific Northwest, Washington and Oregon are also large potato producers. Washington is the nation's second leading producer, sprouting 17 percent of the nation's spuds. Production is centered in the heavily irrigated east central part of the state, and almost 90 percent of the state's output becomes processed potato products (largely frozen french fries). With a moderate climate, rich soil, and heavy irrigation, Washington boasts the highest potato yields per acre in the country. Washington's per-acre yields are typically larger than the national average by 75 percent, and 20 percent larger

than Oregon, which has the second-highest yields. Oregon also earmarks the largest share of its output for french fry production.

The number four producing state, Colorado, differs considerably from the top three because most of its output goes to the fresh market, with very little processed. Strong high-quality production from the fertile and completely irrigated San Luis Valley makes Colorado second only to Idaho in fresh shipments. The San Luis Valley accounts for about 90 percent of Colorado's potato crop.

North Dakota shares its potato growing region—in the fertile Red River Valley—with Minnesota. North Dakota is the nation's largest shipper of chipping potatoes, with sales to many of the 156 chipping plants across the country. Roughly 40 percent of the state's crop winds up as potato chips. North Dakota is also a major source of potato seed, with about 20 percent of its acreage producing certified potato seed.

Wisconsin and Maine also jockey for position within the top five producers from year to year. In Maine, white varieties dominate, with the largest portion of the crop moving into the fresh market. Wisconsin's Russet varieties typically account for over 60 percent of the Badger State's crop, with fresh-market sales most important.

After 130 Years—Same Area, Soaring Yields

Potatoes were among the first crops for which USDA began estimating production in 1866. At that time, potato acreage was about 1.25 million acres, similar to today. But production of nearly 67 million cwt in 1866 was about the amount currently grown in Washington state.

From 1866 to the 1920's, production increased steadily on the strength of expanding acreage. Acreage for harvest peaked in 1922, at 3.9 million, and then steadily declined to the present level of approximately 1.2 million acres.

Commodity Spotlight

Potatoes: A Profile

When Spanish conquistadors encountered the potato in Peru in 1537, the native Incas had already been cultivating the plant for centuries—evidence indicates as far back as the second century. The Spanish shipped potatoes back to Europe as a new crop, and by the late 18th century potatoes became a major food crop on the European continent, where the staples had previously been wheat, rye, oats, and barley.

The high-yielding potato makes it possible to produce adequate food supplies on smaller plots of land. This was demonstrated early in Ireland, which adopted the new plant on a large scale a century before other parts of Europe. In Ireland, agriculture and the general economy became dependent on the potato. Three centuries after its introduction into Europe, the potato's importance was underscored by the widespread famine in Ireland that followed the massive failure of the Irish crop with the blight of 1845-46.

In 1621, potatoes were introduced in the U.S. in Virginia by the English. However, potatoes did not become a familiar crop until a group of Scots-Irish brought potatoes when they arrived in America in 1719 and settled near Londonderry, New Hampshire.

In the late 1800's, U.S. potato production was centered in New York, Pennsylvania, and Ohio. As the population moved west, so did potatoes. Michigan and Wisconsin became major producers in the early 1900's, but New York remained the leading state until Maine took over in the mid-1920's.

With improved yields, the production trend has continued steadily upward despite acreage declines. Early yields were about 50 cwt per acre and held at about that level until the 1920's. Around that time, pioneer plant breeder Luther Bur-

The numerous potato varieties are included mainly in three general categories: Russets, white, and red. Russet potatoes account for the largest share of the U.S. crop, and production is heavily concentrated in western states. Russet varieties are grown for both the fresh market and processing, and are particularly well suited for producing frozen french fries.

White potatoes, ranging from oblong to round in shape, are grown nearly everywhere in the nation, with heavy concentration in the northeast and central states. Round whites are used primarily for potato chips and fresh-pack consumption.

Red potatoes (so-called because of their outer skin color) are grown mainly in the central states and are used mostly as fresh-pack table potatoes. Yellow and purple-skinned potatoes, although gaining in popularity, are still largely specialty varieties.

In 1953, the fall potato crop accounted for 65 percent of the U.S. total. Over the last 35 years potato production has become more concentrated in the fall crop, now accounting for about 85 percent of the U.S. total. Much of the fall crop is placed in storage to provide a steady supply for fresh and processing use throughout the winter and to furnish seed for the crop in the coming year.



bank made advancements in potato breeding, which led to the development of the Russet Burbank potato, the leading variety today. Yields began to soar in the mid-1940's, and now average over 300 cwt per acre nationally. Yields were

boosted to present levels by commercial fertilizer and pesticides, improved breeding and cultural practices, and the shift of acreage to western states where irrigation is used extensively.

Fresh, Fried, or Frozen . . .

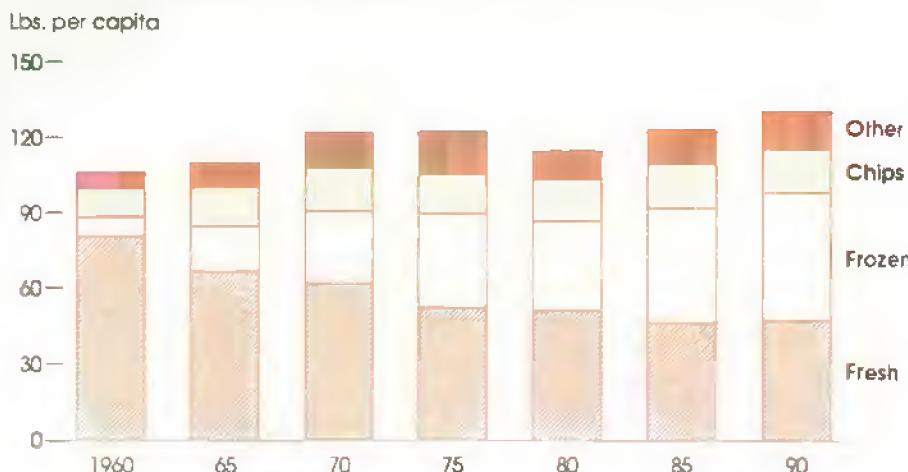
Potatoes are consumed daily in some form by virtually everyone in the U.S. The potato is one of the most versatile vegetables, used by consumers in a variety of forms, including:

- Fresh—baked, boiled, or mashed
- Frozen—french fries and other frozen products such as tater tots, spiral fries, homefries, and whole frozen
- Chips—prepared from whole potatoes; includes canned shoestring potatoes
- Canned—as small whole potatoes or in products such as corned beef hash, stews, soups, chowders, and potato salad
- Dehydrated—for potato chips, mashed potatoes, potato pancake mix, and some canned stews
- Flour—the oldest commercial processed potato product, used in such products as bread, rolls, cake mixes, crackers, and pastries, and as a thickener for soup bases and sauces
- Starch—an ingredient in commercial baked products such as specialty breads and crackers, instant pudding mixes; in molding confections such as gum drops, jelly beans, and chewing gum; also has many nonfood uses such as adhesives, textile sizing, and paper bindings
- Alcohol—another potato product, but because of more economical alternatives, very few potatoes are converted to alcohol in the U.S.; this is more popular in Europe.

Over the years, the share of U.S. potatoes used in food processing has increased, from 19 percent in 1959 to 56 percent in

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Frozen Potatoes Edge Out Fresh in Per Capita Consumption



crop year 1990/91. Typically more than half of U.S. processing potatoes are produced under contract with various processors in the Pacific Northwest, although the total varies with market conditions. Processors used 224 million cwt of potatoes in 1990/91, of which 59 percent was frozen, 21 percent chipped, 17 percent dehydrated, and 2 percent canned. About 85 percent of the 1990/91 crop was used for human consumption. The remainder went for seed (7 percent) or animal feed (1 percent), or was lost (7 percent).

The most significant changes in potato consumption over the past 30 years have been the rise of frozen potato use and the decline in fresh use. In 1959/60, only 4 percent of the crop was processed into frozen potato products. By 1990/91, one-third of all potatoes grown in the U.S. was processed into frozen products, mainly french fries. Many of the major potato freezing plants are located in the Pacific Northwest.

The popularity of fast-food restaurants is behind much of the growth in frozen potato use. In 1991, about 87 percent—4.8 billion pounds—of frozen french fries was sold by foodservice outlets. With the success of frozen potato products and increased demand for potato chips and

other products made from dehydrated potatoes, U.S. per capita consumption rose from 106 pounds in 1959 (farm-weight equivalent) to over 130 pounds in 1991.

The gains in per capita consumption, however, mask the large decline in fresh table use. In 1960, fresh use totaled 81 pounds per person, but by 1989, fresh consumption tallied just under 50 pounds. The drop of more than 30 pounds per person in fresh potato use contrasts with the 59-pound gain in consumption of processed potato products over this period. Evidence suggests that fresh use has now leveled off and may be on the rise. The increased popularity of fresh produce in general and the convenience of microwave ovens are likely among the factors.

U.S. Spuds Go International

The U.S. exports about 5 percent of the potatoes it produces, with exports exhibiting steady growth since the mid-1980's. In 1991, potato exports totaled \$320 million, while imports amounted to \$111 million.

Frozen french fries were the leading potato export, at \$126 million; frozen potatoes headed imports with \$42 million. Potato chip exports, which have been growing strongly the past few years, were the second leading export, at \$68 million. Although the U.S. imported only \$5 million in chips (mostly from Mexico), it exported chips to 71 countries in 1991, with Canada taking 37 percent. Fresh potato exports totaled \$64 million in 1991—nearly all sold to Canada.

During the 1980's, the popularity of frozen french fries increased in countries not known for potato consumption, particularly East Asian countries. In Japan, Taiwan, and South Korea, "American-style" fast-food outlets rapidly expanded as western foods gained favor.

Also, the U.S. potato industry has sustained promotion efforts in East Asian countries with the support of USDA's Market Promotion Program. The result has been strong gains in overseas sales of frozen potato products, particularly french fries. In 1991, Japan accounted for 67 percent of U.S. fry exports, with South Korea a distant second and Hong Kong third (6 percent and 5 percent). Growth in these markets is expected to continue, providing further opportunities for the U.S. potato industry.

(Gary Lucier (202) 219-0888) AO

Upcoming Reports from USDA's Economic Research Service

The following are October release dates for summaries of the ERS reports listed. Summaries are issued at 3 p.m. Eastern time.

October

- 15 Agricultural Resources - Inputs
- 19 Agricultural Outlook
- 21 Rice
- 22 Dairy
- 23 Oil Crops

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Courtesy Port of New Orleans

Is Weaker Dollar Aiding U.S. Exports?

With the weakening of the U.S. dollar in foreign exchange markets during much of 1992, is a stronger U.S. agricultural trade surplus on the horizon? Not likely in fiscal 1993, even though a weaker U.S. dollar generally improves opportunities for U.S. exports and tends to reduce imports.

In real terms, the agricultural trade-weighted dollar was stronger than a year earlier for most of 1991. Only in January 1992 did the dollar begin to weaken compared with the same month a year earlier.

The recent weakening of the dollar may have come too late to significantly boost exports in 1992. A lag of 1-2 years is typical between a movement in exchange rates and the corresponding impact on exports, as producers and consumers become accustomed to the changes.

According to this pattern, the positive impacts of this substantial change in the exchange rate would largely be deferred until fiscal 1993.

Yet little additional growth in exports is expected in fiscal 1993. Instead, lower grain and soybean prices forecast for fiscal 1993 are expected to drive down the value of bulk exports, offsetting continued gains in exports of high-value products (HVP), as well as gains attributable to a weaker dollar in foreign markets. Fiscal 1992 agricultural exports are forecast \$4 billion above fiscal 1991's \$37.5 billion.

For agricultural imports, a \$900-million increase is forecast, bringing the total to a record \$23.5 billion. In the last decade, farm imports have fallen only once—in 1987—and then only by \$200 million. Fiscal 1992's import growth is forecast for both competitive and noncompetitive products. Still, exports have grown faster than imports, allowing the U.S. agricultural trade surplus to climb \$3.1 billion, to \$18 billion. But the steady exports expected in 1993, combined with another increase in imports, would reduce the U.S. agricultural trade surplus.

Other Factors Drive U.S. Farm Exports

Exports have been an important source of U.S. economic growth since the mid-1980's, due in part to large declines in the dollar's value after 1985. Similarly, the dollar's devaluation after 1972 was generally thought to have made a major contribution to the explosion in U.S. farm exports during the 1970's.

However, both bulk and HVP exports are influenced by other factors, which can offset the impact of changes in the dollar. Year-to-year changes in bulk exports are heavily influenced by weather-driven production shifts in the U.S. and other parts of the world. The result is greater variation in the value of U.S. bulk exports, compared with HVP exports. In the short term, unexpected shifts in production and demand can more than offset the impact of exchange rate movements.

For example, fiscal 1992 exports of bulk products (those receiving virtually no processing or added value beyond the farm gate) are expected to be boosted by a \$1.2-billion increase in wheat exports, and a \$1.5-billion increase in exports of

oilseeds and products. Exchange rates played little role in these increases. Wheat exports rose because of increased demand for imports, especially by the former USSR, while soybean and soybean meal exports rose due to reduced supplies in competing countries. In fiscal 1993, record yields for the U.S. 1992 corn and soybean crops are expected to drive prices down and reduce bulk export value.

Another reason for the weaker dollar's limited impact on bulk exports in 1993 is that the effect is largely confined to high-income importing countries—which are not major markets for bulk product exports from the U.S. Changes in U.S. exchange rates have not been as favorable vis-a-vis developing countries, the former centrally planned economies, or competing exporters.

One important competitor in soybeans, Argentina, has its currency pegged to the dollar. Other Latin American soybean exporters are also unlikely to relinquish market share to the U.S. in response to a weaker U.S. dollar. Brazil and other countries are accustomed to marketing their soybeans in dollars, and years of hyper-inflation in these countries have given the U.S. dollar an important role in many pricing decisions both domestically and for foreign trade. Thus, South American competitors will probably be willing to match falling prices for U.S. soybeans in strong currency countries.

Similarly, the U.S. share of world grain trade is not likely to be significantly altered by the weaker dollar. Among the U.S. competitors are Argentina, Australia, and Canada. Argentina's peso is pegged to the U.S. dollar; Australia's dollar has strengthened only marginally vis-a-vis the U.S. dollar; and the Canadian dollar has in fact weakened.

Ironically, a weaker dollar can indirectly hurt some U.S. exports—to low-income commodity exporters, for example. When these countries depend on sales abroad of primary commodities that are priced in dollars on world markets, a weaker dollar can lead to declining terms of trade and ultimately, a reduced ability to import. Those countries may find their supplies of foreign exchange shrinking,

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making it difficult to import or to make debt payments to a country other than the U.S.

While the dollar's ups and downs have corresponded with equivalently large ups and downs in the real value of U.S. bulk exports during the 1970's and early 1980's, U.S. sales responded less when the dollar declined after 1985. Weaker global bulk trade has restrained U.S. sales since then. Major growth markets for bulk products in the 1970's—developing and centrally planned economies—have been in no position to repeat their earlier performance, given the political and economic upheavals of the past decade. Although commercial lending to developing debtor nations has recently resumed, and the former East Bloc countries will have survived much of their expected economic contractions by 1993, a resumption of international borrowing and consumption gains of the 1970's is unlikely.

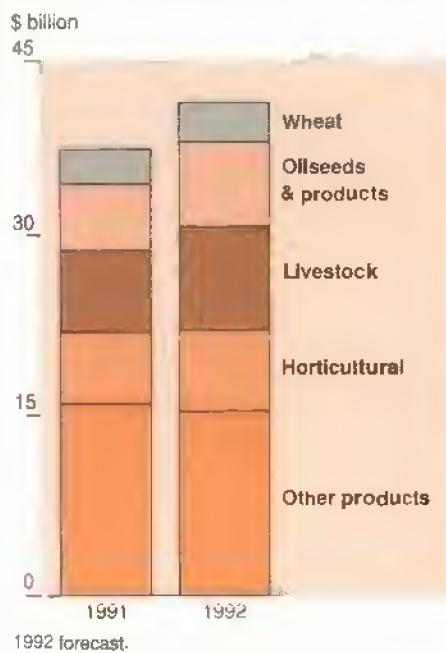
Growth Abroad Important For HVP Exports

Unlike bulk products, HVP exports (those receiving some additional processing or value added beyond the farm gate) have rebounded completely since 1985. But in addition to favorable exchange rates, rapid foreign economic growth played an important role in this recovery. A country experiencing rapid economic growth is more likely to outbid others for goods, and when foreign growth exceeds that of the U.S., more goods are likely to find their way to export markets.

Both U.S. HVP and nonagricultural exports saw their most rapid gains beginning in 1988. Prior to 1988, the U.S. economy was expanding faster than other developed countries—key markets for U.S. HVP exports. The rate of foreign industrialized gross domestic product (GDP) growth finally equaled that of the U.S. in 1988, surpassing it over the next 3 years. During this period, U.S. HVP exports grew 37 percent, while total U.S. merchandise exports grew 66 percent.

Likewise, slow or stagnant growth in foreign markets can put the brakes on U.S. high-value exports to these markets. This

Higher Wheat and Oilseed Sales Pull Up U.S. Export Value



situation occurred in 1992 in some important markets for U.S. products—such as Japan and Germany. In 1993, U.S. GDP growth is expected again to exceed that of several other developed countries, and by the highest margin since the first half of the 1980's.

Japan's GDP is expected to gain only 1.8 percent in 1992, down from 4.5 percent in 1991. And the EC's growth will probably remain at about 1.5 percent in 1992. Germany's central bank has maintained high interest rates, pursuing a tight monetary policy aimed at reducing inflation. Acceleration is expected in both the Japanese and German economies in 1993, but U.S. GDP is still expected to grow faster than the 2.4-percent growth expected for all foreign industrialized countries.

U.S. HVP exports can also be affected by policy changes in some key importing countries. Such policy changes, along with economic growth in major markets, helped U.S. HVP exports grow in 1992 and will play the same role in 1993.

Mexico, for instance, was the fastest growing major market for U.S. HVP exports during fiscal 1991 and 1992. U.S. HVP exports there grew by about one-

third in fiscal 1991—to about \$1.8 billion—and maintained a similar rate of growth during the first three quarters of fiscal 1992. Import liberalization in Mexico and the continuing strength of the Mexican economy is increasing demand for a greater volume and variety of food products from the U.S.

Similarly, import liberalization is likely to increase U.S. beef exports to Japan and Korea; EC recertification of U.S. slaughterhouses for export has increased exports of other meats to the EC; and tariff reductions under the U.S.-Canada Free Trade Agreement have boosted fruit and vegetable exports to Canada.

Is Dollar's Decline Lasting?

Overseas customers are likely to respond cautiously to changes in exchange rates they regard as likely to be reversed in the foreseeable future. U.S. export gains are likely to be weaker than for exchange rate changes perceived to be more permanent.

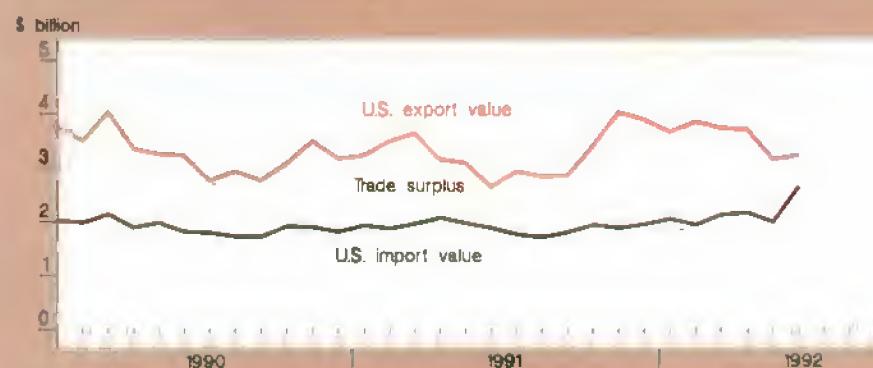
One reason is that foreign importers may be reluctant to pass on their lower costs as lower prices to consumers. Were exchange rates to return to previous levels, importers would then have to raise their prices to previous levels. Therefore, importers may prefer to reap higher profits through lower costs rather than increase their sales volume temporarily. The U.S. could gain market share and exports under these circumstances, but without the stimulus of lower prices to foreign consumers, the overall gain in exports would be smaller.

There are several reasons overseas importers may regard some of the recent declines in the value of the dollar as temporary: 1) a perception that the dollar is in some sense "undervalued," 2) the absence of multilateral coordination to bring the dollar down, and 3) the unusual interest rate levels behind its decline.

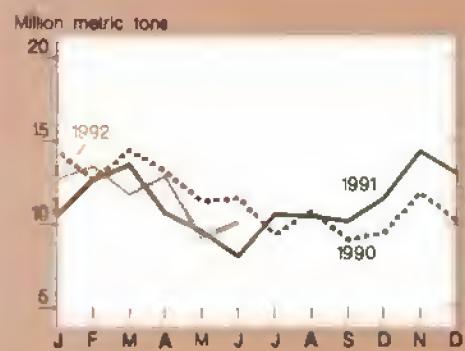
Even before this summer, the dollar was regarded in some respects as undervalued. Suppose a basket of goods in the U.S. cost \$10, and the same basket of goods cost 20 marks (DM) in Germany.

U.S. Trade Indicators

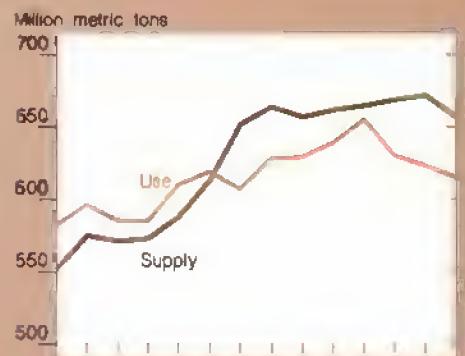
U.S. agricultural trade balance



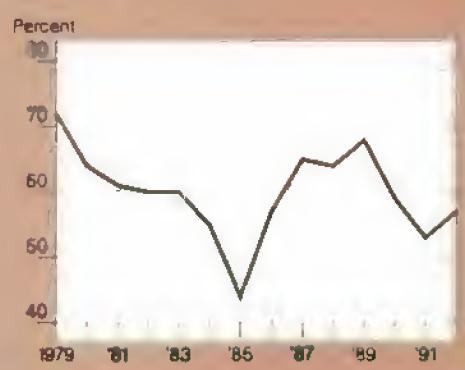
Export volume



Foreign supply & use of coarse grains



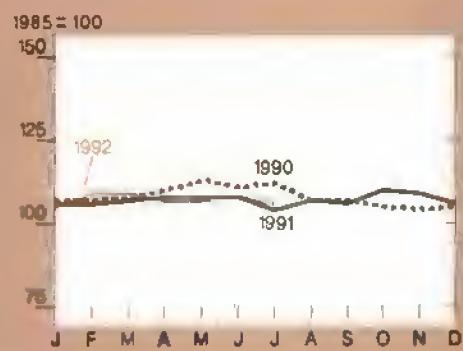
U.S. share of world coarse grains exports^{1,2}



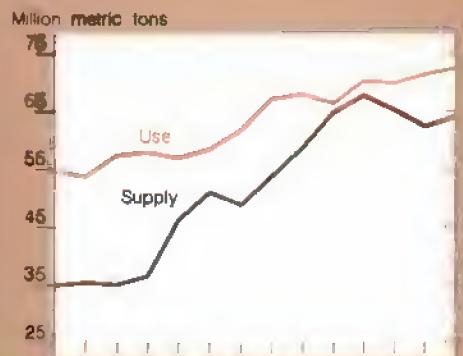
¹Excluding intra-EC trade

²October-September years

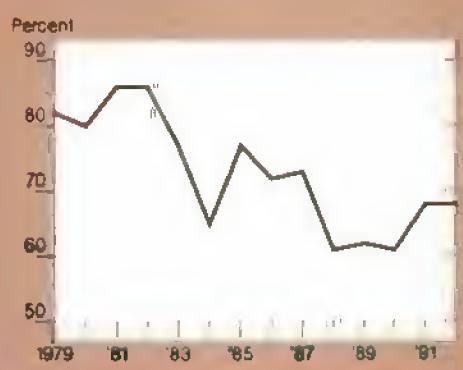
Index of export prices



Foreign supply & use of soybeans

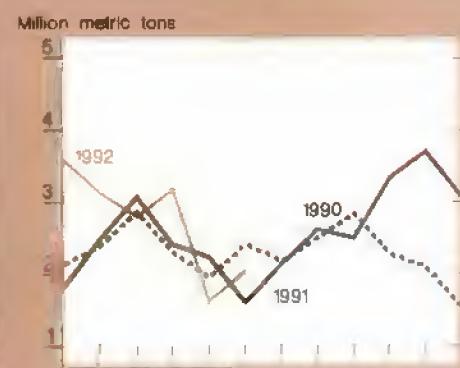


U.S. share of world soybean exports^{1,2}

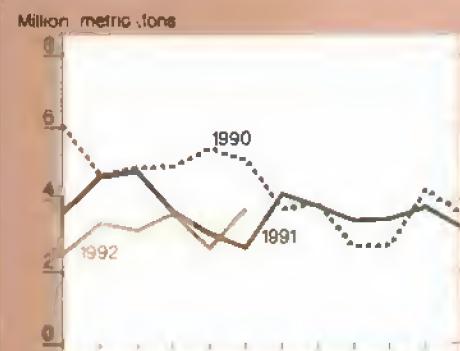


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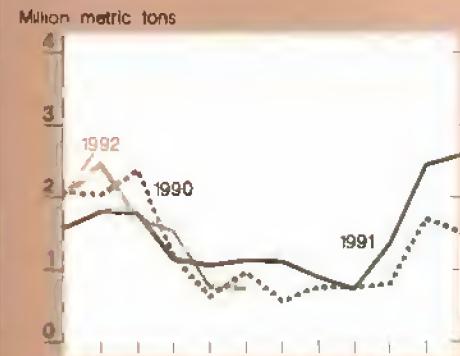
U.S. wheat exports



U.S. corn exports



U.S. soybean exports



U.S. fruit, nut & vegetable exports³



³Includes fruit juices.

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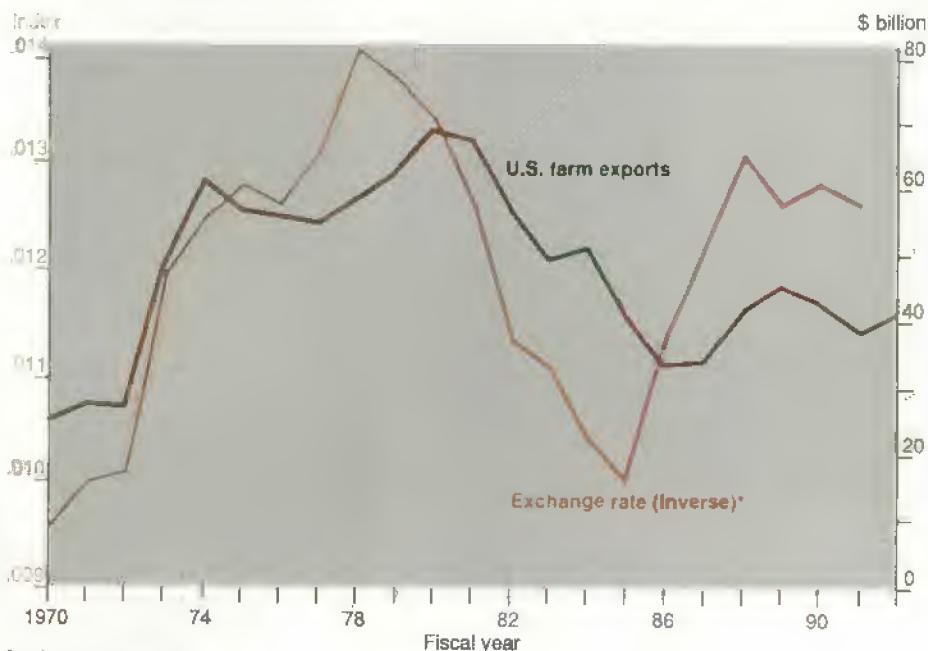
Environment & Resources

The ratio of costs in the two countries, 2 to 1, is an implicit exchange rate of DM to dollars. In other words, a German consumer should be able to either convert 20 DM into \$10 and purchase the U.S. basket of goods, or trade 20 DM for the same basket.

However, this may not necessarily match the exchange rate prevailing on foreign exchange markets, and this is currently

When the dollar began its large decline in 1985, it did so in the context of the Group of Seven's Plaza Accord. The Plaza Accord established that the dollar was falling due to coordinated changes in monetary policy and there was a multilateral consensus that the weakening dollar was moving in the right direction. During this summer, the dollar's weakness was the result of neither coordination nor consensus.

Exchange Rate Impact on Farm Exports Weakened After 1985



* Adjusted for inflation.
1992 forecast.

the case. The DM/dollar ratio in foreign exchange markets is below the ratio implied by the cost of a basket of goods, even after adjusting for Europe's value-added tax (VAT). The German consumer attempting to convert 20 DM into dollars will receive more than \$10; but if the German consumer attempts to trade DM for goods, the 20 DM would still only buy the U.S. basket valued at \$10.

Since the price changes that would align the implicit and actual market exchange rates are not expected to occur, the U.S. dollar has frequently been described as undervalued. This might lead importers overseas to doubt the permanence of a further weakening of the dollar in exchange markets.

The price of the dollar in large part reflects the returns on dollar assets relative to returns on assets priced in other countries. Returns on dollar assets have been relatively low—U.S. interest rates have been at a 30-year low and German interest rates at a 60-year high. As U.S. GDP growth improves and German inflation falls, interest rates will almost certainly retreat from these extremes, relaxing pressure on the dollar. The role of interest rates was highlighted by the dollar's strengthening in mid-September following a small dip in German interest rates. [Stephen MacDonald (202) 291-0822] AO



Farmland Values: Modest Rise Predicted

U.S. farmland values are expected to average 1 percent higher for the 12 months following a July 1992 survey of rural appraisers. The forecasts by the national panel of appraisers are consistent with USDA's forecast for an increase ranging from 1 to 3 percent for calendar 1992. The appraisers' July forecast is less than their April 1.9-percent increase anticipated for the 12 months ahead, but close to the 1.1-percent gain forecast last January.

About 45 percent of the panel expects higher values during July 1992 to July 1993, while nearly 15 percent anticipates declines. Among those anticipating higher values, 70 percent attributes rising values to increased demand for farmland, 25 percent to less farmland on the market, and 5 percent to a combination of factors. On the factors expected to stimulate demand, appraisers were about equally divided among prospects for higher farm incomes, lower interest rates, and higher inflation.

Northeast Leads Year-Ahead Increases

Northeast appraisers expect farmland values in the region to outperform the U.S. average, calling for 1.9-percent higher land values in the year following July 1992. The appraisers cite increased demand for farmland, particularly by farm operators, as the major factor moving farmland values higher. Appraisers expect the expanded demand to stem from higher farm incomes, boosted by rising milk prices.

About 55 percent of appraisers in the West expects higher year-ahead values,

while 35 percent anticipates no change. Overall, they look for a 1.5-percent increase in western farmland values during July 1992-93. About two-thirds of those anticipating higher values point to increased demand as the principal factor; a third cite less farmland on the market. Most of the increased demand, expected largely from nonfarmer investors, is attributed to expectations of higher inflation and lower interest rates.

Nearly half the North Central appraisers expects unchanged values during July 1992-93, but about 40 percent looks for higher values in that region. Their combined forecast is for an increase of 0.8 percent. Of those expecting higher val-

ues, 70 percent anticipates the basis as stronger demand for farmland, principally by farm operators, while about 25 percent attributes the increase to less farmland on the market. A combination of higher farm incomes and lower interest rates is also expected to spur demand in the North Central region.

Although 50 percent of appraisers in the South expects no year-ahead change in farmland values, overall the group is calling for an increase of 0.5 percent. Among the 35 percent looking for higher values, three-fourths see value gains resulting from increased demand for farmland, with the growth in demand about equally divided between nonfarmer investors and farmers/ranchers expanding operations. Appraisers expect lower interest rates and higher farm incomes to accelerate demand.

U.S. Values Up Over Past 12 Months

Nearly 60 percent of the panel reported higher farmland values during July 1991-92, while a third indicated unchanged values. Overall, they reported a 1.8-percent rise in the average value of U.S. farmland, up slightly from the 1.5-percent gain for April 1991-92 indicated in the preceding survey.

Among the group reporting higher values over the past 12 months, 60 percent attributed increases to stronger demand for farmland, particularly by farmers and ranchers expanding operations, and 35 percent indicated less farmland on the market. Others cited both factors. Most traced the increased demand to lower interest rates, but a small proportion—20 percent—designated higher farm incomes, partly resulting from higher wheat prices.

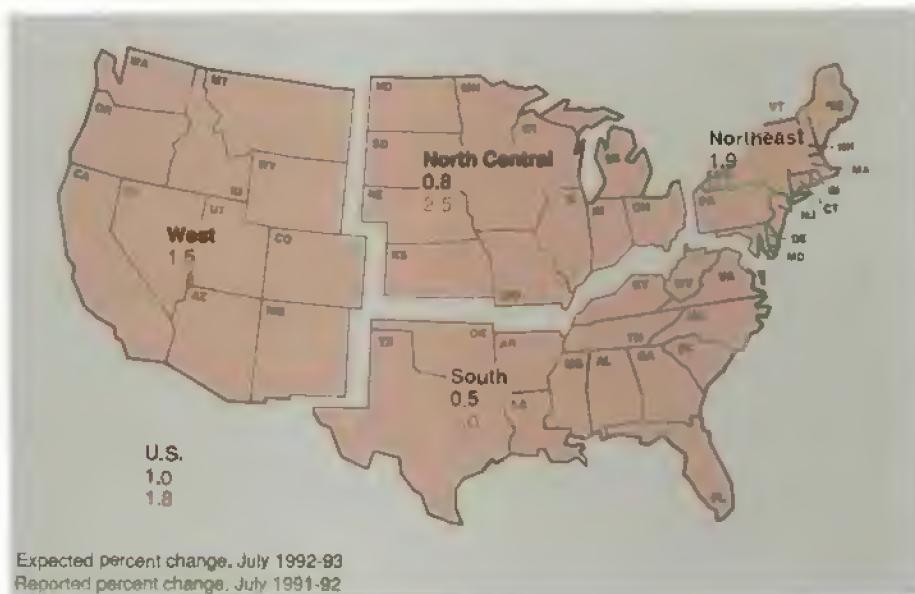
The largest regional increases were reported for the North Central (2.5 percent) and West (1.8 percent) regions. Appraisers reported average values rose 1 percent in the South and 0.6 percent in the Northeast.

Farmland Values To Show Most Strength In the West and Northeast

Period	West	North Central	South	Northeast	U.S.
% change					
July 1991-92	1.9	1.7	-1.1	0.5	0.9
October 1991-92	1.2	1.3	1.3	0.8	1.3
January 1992-93	1.6	1.1	0.6	1.3	1.1
April 1992-93	1.9	2.1	1.7	1.5	1.9
July 1992-93	1.5	0.8	0.5	1.9	1.0

Source: Quarterly surveys of a national panel of rural appraisers.

Appraisers Predict Rise in Farmland Values In All Regions



Environment & Resources

About the Appraisers' Survey

A panel of over 400 rural appraisers, all members of the American Society of Farm Managers and Rural Appraisers, participates in quarterly surveys of farmland values. Their opinions on farmland values complement the Economic Research Service's annual surveys of farmland values.

In the July 1992 survey, appraisers provided information on changes in farmland values for 413 areas across the 48 contiguous states. They also identified what they considered as factors affecting values.

Appraisers focus on value changes during the past 3- and 12-month periods and on expected changes over the next 3- and 12-month intervals. In determining regional averages, appraisers' responses are weighted according to the acres of land in farms within each reported area. Similarly, the regional averages are weighted by acres of land in farms to develop national weighted averages.

The Wisconsin Survey Research Laboratory at the University of Wisconsin conducts the surveys for USDA's Economic Research Service.

Slight Quarterly Change Foreseen

Three-fourths of the panel expect no change in the average value of U.S. farmland during the third quarter of 1992. But Northeast appraisers anticipate a 0.3 percent increase in their region, and North Central appraisers look for a gain of 0.1 percent. Those in the South and West regions anticipate no change.

Most of the panel (90 percent) also reported unchanged values in the second quarter. North Central appraisers reported no change, but slight increases in the Northeast (0.4 percent), South (0.1 percent), and West (0.1 percent) regions contributed to an overall rise of 0.1 percent in the U.S. average value.

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Farmers Sign on to Wetlands Program

The 1990 Food, Agriculture, Conservation, and Trade Act (farm act) contains a conservation title that revised existing conservation programs and created several new ones. Among the additions is the Environmental Conservation Acreage Reserve Program (ECARP). ECARP includes the Conservation Reserve Program (CRP), extended through 1995, and a new Wetlands Reserve Program (WRP), both voluntary programs administered by USDA.

During the past summer, USDA conducted separate signups for farmers to enroll land in the CRP and the WRP. Interest in both programs was high. More than 2.6 million acres of highly erodible or environmentally sensitive cropland was offered for enrollment in the 12th

CRP signup period. Of this, USDA has tentatively accepted 1.1 million acres.

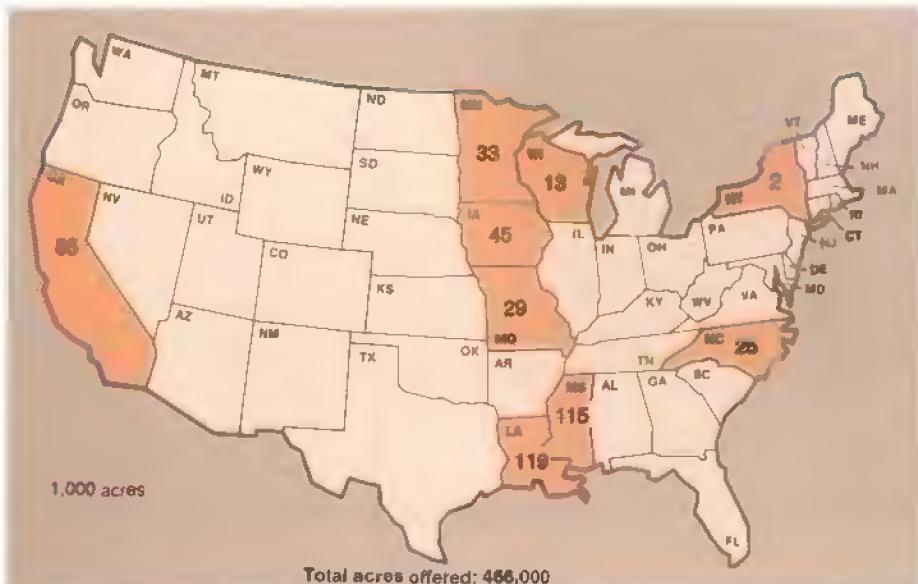
First WRP Signup Held

In July, USDA conducted the first signup for a pilot WRP involving nine states. Farmer interest in the program exceeded even the most optimistic expectations. Farmers filed 2,730 intentions to participate on 466,000 acres. From this, USDA can accept 50,000 acres, at a cost of \$46.4 million. Accepted acreage will receive an easement payment (made in 10 equal annual payments or one lump sum), plus 75 percent of the cost for restoring the land to wetland conditions.

Unlike the CRP, which retires cropland from production under 10-15 year contracts, land accepted in the WRP must be kept permanently as wetland. The goal of the WRP is to restore up to 1 million acres of wetland by the end of 1995.

Lands eligible for WRP include restorable farmed wetlands that were converted to cropland prior to December 23, 1985, and functionally related wetlands and uplands. In addition, the farmed

Nine States Offer Acreage for New Wetlands Reserve Program



wetland must have been planted to an agricultural crop for at least one of the 1986-90 crop years and must be capable of being restored to wetland.

WRP Bid Acceptance Process

During an announced WRP enrollment period, farmers and ranchers interested in enrolling land must file an intention to participate. Within 60 days after the close of the enrollment period, the landowner, the Soil Conservation Service (SCS), and the U.S. Fish and Wildlife Service complete a Wetlands Reserve Plan of Operation (WRPO).

The total target acreage for an enrollment period is divided among bid pools, based on the relative amount of cropland on hydric soils in each. Eight regional bid pools were established for the U.S. Target acreage not used in a pool may be redistributed among the other pools. Bids are evaluated for acceptance based on a number of factors concerning the feasibility and desirability of successful restoration.

To determine payments to farmers, USDA's Agricultural Stabilization and Conservation Service (ASCS) will consider all costs of obtaining easements based on assessments of future domestic food needs and benefits to wildlife, as well as wetland restoration costs. Easement payments to farmers cannot exceed the fair market value of the land less the value of the land encumbered by the easement. Allowable activities agreed to by the landowner and ASCS may be included in the WRPO. For example, selective timber cutting, grazing, and hunting and fishing leases may be allowable activities in the WRPO, if such activities are not inconsistent with wetland restoration.

ASCS will share 75 percent of landowners' costs of rehabilitating wetlands under permanent easements and 50 percent of restoration costs for 30-year easements. Landowners are responsible for property taxes and reporting WRP payments to the IRS.

Twelfth CRP Signup Brings In 1.1 Million Acres . . .

Region	Accepted contracts	Accepted acres	Average rental rate	Average erosion reduction
Northeast	268	9,808	55.06	7
Appalachian	1,254	47,332	57.83	20
Southeast	1,263	54,801	44.61	13
Delta	731	41,348	46.87	13
Corn Belt	8,525	415,612	84.89	15
Lake States	4,324	176,214	62.11	9
Northern Plains	1,329	95,302	47.60	17
Southern Plains	924	125,362	40.54	29
Mountain	547	95,701	36.38	17
Pacific	339	38,493	55.37	13
U.S.	19,504	1,099,976	63.09	16

Tentative results.

. . . Bringing Total to 36 Million

Signup period	Accepted contracts	Accepted acres	Average rental rate	Average erosion reduction
	Thousand	Million	\$/acre/yr.	Tons/acre/yr.
1985 farm act				
#1 March 1986	9.4	0.75	42.06	26
#2 May 1986	21.5	2.77	44.05	27
#3 August 1986	34.0	4.70	46.96	25
#4 February 1987	88.0	9.48	51.19	19
#5 July 1987	43.7	4.44	48.03	17
#6 February 1988	42.7	3.38	47.90	18
#7 July-August 1988	30.4	2.60	49.71	17
#8 February 1989	28.8	2.46	51.04	14
#9 July-August 1989	34.8	3.33	50.99	14
1990 farm act				
#10 March 1991	8.6	.48	53.66	17
#11 July 1991	14.7	.99	59.37	15
#12 June 1992*	19.5	1.10	63.09	16
Total	376.2	36.50	49.70	19

*Tentative results.

CRP Enrollment Reaches 36.5 Million Acres

The 1.1 million acres tentatively accepted in the 12th signup period added to the 35.4 million acres contracted in the previous 11 signups would bring total CRP enrollment to 36.5 million acres. Farmers still have the right to withdraw their tentatively accepted 12th signup

offers, so final enrollment will probably be somewhat less.

The goal of the ECARP is to enroll 40-45 million acres by 1995, including acres in the CRP and WRP. In exchange for retiring highly erodible or other environmentally sensitive cropland from production for 10-15 years, farmers participating in the CRP are paid an annual per-acre rent and one-half the cost of

Environment & Resources

establishing a vegetative land cover (usually grass or trees).

Thirty-eight percent of the acreage tentatively accepted in the 12th CRP signup is located in the Corn Belt region. This is a sizable shift compared with the first 5 years of the program (1986-90), when the Corn Belt represented only 14 percent of enrollment. The next largest share of tentatively accepted signup acres (16 percent) is in the Lake States region.

Only 29 percent of 12th-signup accepted acres is located in the Northern Plains, Southern Plains, and Mountain regions. By contrast, these regions accounted for 62 percent of the acreage enrolled in the first 5 years of the program.

The geographic shift from the Great Plains to the Midwest results from the new CRP bid acceptance process implemented following passage of the 1990 farm act. Since then, CRP operation has placed greater emphasis both on water quality improvement and on selecting acres to obtain the greatest conservation and environmental benefits per program dollar spent.

Conservation Priority Areas Expanded

Annual rental payments received by farmers in the 12th CRP signup are estimated to average \$63.09 per acre, up from \$59.37 for land contracted in the 11th signup. Annual erosion reductions on land accepted in the 12th signup will average 16 tons per acre. This represents a slight increase from the average of 15 tons per acre for 11th-signup contracted acreage. In the 12th signup, 9 percent of tentatively accepted acres is scheduled for tree planting, down slightly from 10 percent in the last signup.

The 1990 farm act originally designated the Chesapeake Bay, Long Island Sound, and Great Lakes regions as CRP conservation priority areas. While farmers on eligible highly erodible or other environmentally sensitive land in any area may apply for CRP enrollment, USDA is directed to achieve a significant level of enrollment in the priority areas to maximize water quality and wildlife habitat benefits.

Prior to the 12th CRP signup, states were given the first opportunity to submit additional areas for consideration as conservation priority areas. As a result, new areas were established in 16 states. This designation means that producers in those areas with land that is not highly erodible may submit a CRP bid, and that bids from such areas receive additional consideration in the environmental benefits index used for determining bid acceptance. In all, slightly more than 185,000 acres, or 17 percent of the tentatively approved 12th-signup acres, came from conservation priority areas.

A new provision of the 1990 farm act required that acres enrolled for filter strips, wildlife habitat improvement, salt-tolerant grasses, field windbreaks, grassed waterways, contour grass strips, shelterbelts, and living snow fences be subject to a useful-life easement of 15 or 30 years. The easement, which constitutes a recorded deed restriction, requires future owners to maintain the practice for its useful life, even though CRP rental payments are made only for the first 10 years.

Because farmers in the last two signups offered few bids containing these areas, on July 22 an amendment to the 1990 farm act eliminated the useful-life easement requirement. So farmers who submitted 12th-signup easement bids were not required to sign such an easement. Moreover, farmers whose bids were accepted in the 10th and 11th signups and who have not yet filed any required easements will not have to take such action. Producers are, however, obligated under contract to maintain the practice for its useful life.

Despite the recent interest shown by farmers in the CRP and the WRP, Congress did not appropriate funds for new CRP or WRP enrollment for fiscal 1993. While this will not affect payments to land previously enrolled in the CRP, or in the CRP and WRP signups held this summer, no new signup opportunities for either program can be held next year without appropriations.

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Farm Finance



Farm Income Outlook Improves

Forecasts both for higher food grain receipts and for government payments, coupled with expenses in the same range as 1991, have improved the outlook for gross cash income. The improvement in gross income, combined with lower expenses, leaves net cash income \$1 billion higher than expected in May. Current forecasts show 1992 net cash income of \$54-\$57 billion and net farm income of \$42-\$47 billion. [For the latest outlook on farm financial conditions, see tables 29-34.]

Strong Rebound in Food Grain Receipts

Total crop receipts for 1992 are forecast in the range of \$80-\$83 billion, compared with an average of \$80.5 billion for the past 2 years. But the improvement is due primarily to strong advances in food grain receipts—particularly wheat. On average, food grains account for about 10 percent of total U.S. crop receipts.

For 1992, analysts are forecasting wheat production up more than 20 percent from last year, with a record spring wheat

crop. Given expectations for higher prices, 1992 wheat receipts would rise to \$6-\$8 billion, an increase of over 25 percent from 1991 and near 1989's level. While wheat prices rose sharply late in 1991 in response to higher uses and a drop in U.S. wheat production of more than 25 percent from 1990, large world supplies had led to weak prices earlier in the year. The result was the lowest U.S. wheat cash receipts in 4 years—only \$5.7 billion. Rice production is also forecast up this year, more than offsetting expected price declines and raising rice receipts 6-8 percent.

But Feed Grains, Oilseeds To Slip

A dramatic improvement in weather conditions in July may bring record 1992 corn yields and potentially the largest crop since 1985. In addition, area is up about 3 million acres. Early price forecasts for the season are \$1.85-\$2.25 per bushel, down from the 1991 estimate of \$2.37. Higher output will bring lower prices, and the combination could bring corn cash receipts down 4 percent for the

year. But receipts would still be higher than all but the past 2 years. Larger 1992 crops are also forecast for grain sorghum and oats.

For the overall feed grain complex, lower prices brought on by higher production should not have a major effect on this year's cash receipts, since a large share of the 1992 crop will not be sold until next year. Typically, 40 to 60 percent of total annual marketings is sold in the year of harvest; the remainder moves into the marketing channel the following year. Prices in the first half of this year exceeded 1991 prices, so receipts from previous years' production sold this year will partially offset anticipated lower third- and fourth-quarter 1992 prices. Total 1992 feed grain and hay cash receipts are forecast at \$17-\$19 billion, down 3 percent from last year.

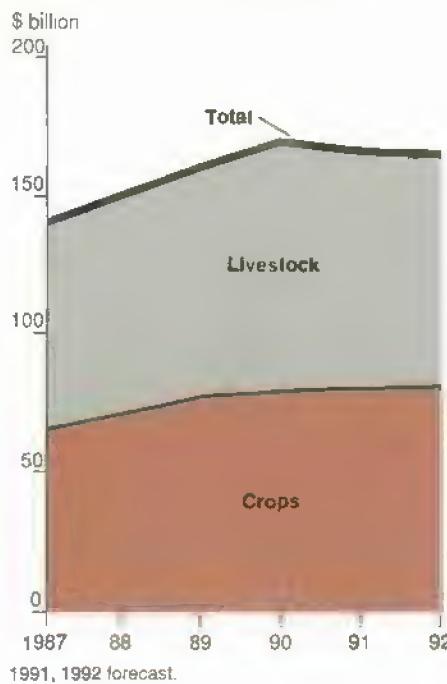
U.S. oilseed crops could be the largest since 1985/86, due mainly to record soybean yields. Total oilseed cash receipts are currently forecast at \$11-\$13 billion, down 2 percent from 1991. Soybean receipts are down only 1 percent, while peanut receipts will likely slide 5 percent.

Citrus Receipts Up, Cotton Down

Citrus production declined last year due largely to a freeze in California in December 1990. While citrus prices rose to four times their normal level in response to the freeze, there were no oranges to market. For 1992, prices and production are forecast to return to normal levels, boosting fruit receipts 5 percent.

By contrast, near-record global and U.S. cotton supplies this year are bringing lower prices for 1992. First- and second-quarter 1992 prices ranged between 50 and 55 cents per pound, compared with 65-70 cents for the same period last year. The lower prices could push 1992 cotton cash receipts down 10-15 percent. Current forecasts show cotton receipts of \$4-\$6 billion, about the same as in 1989.

Crop Receipts Inch Up, but Livestock Earnings Dip Slightly



It All Adds Up—Common Farm Finance Terms

Current and constant dollars.

Current dollars measures purchasing power in the prevailing year. By not considering the effects of inflation, current dollars cannot be meaningfully compared over time. **Constant dollars** (also referred to as a real, or inflation-adjusted measure) are deflated using the GDP implicit price deflation with a 1987 base.

Net cash income = Gross cash income minus cash expenses. **Net cash income** measures total income received in a year, regardless of the year in which the marketed output was produced. It measures funds available to cover cash operating costs, to finance capital investments and savings, service debts, maintain living standards, and pay taxes.

Net farm income = Total gross farm income minus total expenses. Net farm income measure the profit or loss associated with a year's production. Additions to inventory are treated as income, and nonmoney items such as depreciation, consumption of farm-grown food, and the net imputed rental value of operator dwellings are included.

Farm equity = Farm sector assets minus sector debt outstanding. Measures net worth.

Debt/asset ratio = Total debt outstanding on January 1 of the current year, divided by farmers' estimate of the current market value of owned assets of the farm business.

Red Meat Receipts Fall, Dairy Earnings Recover

Total livestock receipts for 1992 are currently forecast at \$84-\$85 billion, compared with 1991's preliminary \$87 billion. The slip is due to lower red meat receipts, while dairy is expected to show

Farm Finance

USDA Farm Income vs. IRS Data: How Comparable?

In August 1992, several newspapers carried stories questioning the comparability of USDA's income statistics with similar IRS data on farm income. While USDA has reported net farm income between \$30 and \$50 billion in recent years, the aggregate IRS farm income figure has generally been near zero. What accounts for the difference?

First, IRS data are derived from Schedule F, Farm Income, because these are the only tax data the IRS classifies as farm-specific. But none of USDA's farm income measures represents an aggregation of taxable income for farmers or for any subgroup, such as individual proprietors (sometimes referred to as "family farms").

Comparing the two series is difficult for other reasons as well. The IRS does not count some farm income that is reported on other tax schedules and therefore not identifiable as farm related, and even the concepts of income and costs are different.

For example, USDA's net farm income is a measure of the agriculture sector's net value of production, a concept similar to the Department of Commerce measure of gross domestic product (GDP). USDA's net farm income includes revenue from the production of all agricultural commodities and related services originating from any establishment that fits the USDA definition of a farm—regardless of its legal form of ownership or organization.

By contrast, much of the sector's production is not reported on Schedule F of the tax forms. Examples of unreported sales are those that can be classified as capital assets and taxed as capital gains (reported on Schedule D). Prominent examples are breeding and dairy livestock, and forestry.

Schedule F also excludes billions of dollars of output of large integrated firms that produce, process, and market farm produce. USDA's net farm income includes \$1.5 to \$2 billion in net value of production for goods and services consumed on the farm but not sold. This value is not reported on Schedule F.

Finally, the number and definition of individuals and farms covered by the IRS and USDA differ. Several hundred thousand individuals file a tax return using Schedule F, but are not considered farmers under USDA's definition. These individuals do, however, report farm returns to the IRS and, on average, declare a loss of several thousand dollars each. For USDA to classify an operation as a farm, it must have (or normally have) farm product sales totaling at least \$1,000. In general, IRS acknowledges substantial underreporting of net income for small firms across all industries, including farming. Without evaluating the IRS data on tax compliance, it is impossible to gauge the magnitude of this factor.

a fairly strong improvement over last year's weak performance.

Cattle and hog prices have been down since the start of the year while production is up. Hogs are showing the largest percentage change in prices. Average annual hog prices are forecast near \$40 a cwt. at or just above cash costs. If these prices continue, 1992 hog cash receipts

will likely average \$9-\$11 billion, down 10 percent from last year and just above 1989's level. Cattle prices are also down, particularly for calves, which could lead to a 6-percent drop in cattle and calf receipts.

But 1992 milk prices are forecast up nearly 10 percent, after dropping in August 1990 and remaining low throughout

1991. Higher prices should raise dairy receipts to near the 1990 record.

Direct Payments Up, Expenses Rise Modestly

Total direct government payments to farmers and ranchers are forecast up 17 percent for 1992. The increase is not due to higher deficiency payments, however, which are expected to be about the same as last year. The rising payments are mainly attributable to nearly \$1.1 billion in disaster payments. An additional 1 million acres from the 11th signup accepted into the Conservation Reserve Program (CRP) will add over \$100 million to CRP payments to farmers.

Input prices are forecast up only slightly for 1992. Production expenses are forecast to decrease for feeder livestock—due to lower calf and hog prices—and for interest—due primarily to lower interest rates. The other expense accounts show increases of 2-5 percent, although hired and contract labor expenses are forecast up 8 percent, due to higher wage rates and increased seasonal labor demand.

Northeast Income Rise Is Exception

Of the five major U.S. agricultural regions, the Northeast is the only one with a forecast of higher net cash income in 1992. Northeast crop receipts are forecast up 1-2 percent, and livestock receipts up 3-4 percent. Underlying factors are rising receipts for livestock (primarily dairy) and fruits (mainly apples and grapes).

Dairy is the top agricultural product in most Northeast farm states, and the Northeast is the only region showing higher livestock receipts. And although cash expenses are forecast higher for farm production in all regions, gross cash income in the Northeast is rising more rapidly than expenses, leaving higher net incomes. Despite the region's improvement in income, however, it is the smallest farm production region—accounting for only 7 percent of U.S. net cash income.

The largest region by far in terms of receipts and income is the Midwest, accounting for 40 percent of U.S. farm income. The Midwest also produces one of the most diverse range of commodities. The Corn Belt is the major corn, soybean, and hog area of the country; dairy is a key sector around the Great Lakes; and wheat and cattle predominate in the Plains.

For the Midwest overall, net incomes are forecast down 4-5 percent, with total cash receipts down 1-2 percent. The main reason for the decline is lower livestock receipts, with falling prices for hogs and cattle. Crop receipts will be buttressed by wheat, the only major field crop with higher receipts forecast, helping to keep total Midwest crop receipts steady to slightly higher.

The South Central is the only region not expected to see higher crop receipts. This is the major region for cotton—the commodity with the greatest decline in 1992 receipts. The crop receipts decrease in the South Central region is less than \$500 million, or under 1 percent. However, the effect may be compounded by livestock, with regional receipts forecast down \$600 million, the largest percentage decrease (4-5 percent) for livestock

of any region. Overall, the region may see total cash receipts slip nearly 3 percent and net cash incomes fall nearly 9 percent.

Dairy Farms Show Most Improvement

Among all types of farms, dairy operations are showing the strongest year-to-year improvement in cash income. Net cash income for dairy operations in 1992 is forecast at nearly \$4 billion, an increase of over 50 percent from 1991. However, this is still more than 15 percent below 1990's record. Typically, dairy farms are among the most specialized, with nearly 90 percent of gross income from livestock product sales. While most dairy farmers also grow crops, the crops are typically fed to livestock, and are not a direct source of income.

Like dairy, red meat operations, including the beef/hog/sheep complex, derive over 80 percent of their income from livestock sales. Crops are also frequently grown, but fed to livestock. With lower cattle and hog prices and only slight increases in production, livestock receipts for red meat operations are forecast down 6-7 percent. While crop receipts are forecast higher, their relatively small impact on these farms' gross incomes is likely to leave net cash income down 25-30 percent from 1991.

Grain Farms Steady, Cotton Down

Net incomes for cash grain farms are forecast steady to slightly higher for this year, helped by higher crop receipts in general, and due in large part to the importance of wheat to these operations.

Livestock receipts make up only 10 percent of cash grain farms' gross income, and the lower livestock receipts will be more than offset by rising government payments.

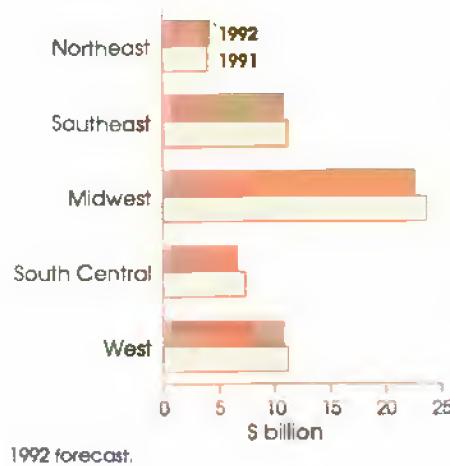
Cotton farm net cash income is forecast down 15-20 percent, due to the projected decline in 1992 cotton prices. Cotton farms tend to be large and highly specialized, so incomes are almost entirely dependent on cotton sales.

Given the importance of livestock to small-farm operations (sales under \$40,000), the low hog and cattle prices forecast for 1992 are likely to have a major effect on these farms' incomes. Net cash incomes for the smallest farms are forecast down more than 15 percent this year. Farms with sales below \$20,000 will likely see increasingly negative net incomes.

Farms in the mid-size range—\$100,000 to \$250,000 in sales—are showing net income down less than 1 percent, while net cash income for the largest sales class of over \$1 million is forecast down 5 percent. Most cotton farms fall into this largest sales class, with declining cotton receipts underlying much of the drop in net income.

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Net Cash Income To Fall Slightly In Most Regions



Food & Marketing



Smallest Food Price Increase in 25 Years

The rise in the Consumer Price Index (CPI) for food in 1992 will be the smallest in 25 years. In 1967, the CPI for food rose 0.9 percent, and this year's increase is expected to be around 1 percent, possibly matching the 25-year record.

Several factors are holding food price rises to a minimum this year. Increased supplies of meats, particularly pork, have pushed retail beef, pork, and poultry prices down. The overall CPI is expected to rise about 3 percent for 1992. The low inflation rate has held down costs for processing and distributing food. Slow growth in consumers' real income is keeping demand fairly stagnant, particularly for ready-to-serve foods and restaurant meals. Prices of away-from-home meals are expected to rise only 2 percent this year—the lowest increase since the mid-1960's.

The CPI for meats in 1992 is forecast to average a good 2 percent below last year's levels. Pork prices will average nearly 6 percent below last year, while

beef prices will be more stable—averaging less than 1 percent lower. The price of meat carries significant weight in consumers' food budgets, and is the primary reason behind the small rise in the CPI for all food.

Meats are not the only foods priced lower this year. Prices for poultry, eggs, and fresh fruits will also average below 1991. Poultry prices have been declining since 1990, mainly because of production increases and large supplies. This year, however, while production gains in poultry are smaller than in recent years, the price declines are larger. Contributing to this year's declines are lower prices of competing pork.

Egg prices are also significantly lower in 1992, more than 10 percent below 1991. Table-egg production has been increas-

ing a very modest 1 to 1.5 percent in recent years, and at the same time, consumer demand for eggs has waned because of health concerns, particularly about cholesterol. As a result, small changes in supplies can lead to large swings in price.

For fresh fruit, the CPI is lower this year simply because it was extremely high last year. After a California freeze in December 1990, supplies of fresh-market oranges fell sharply in 1991. Prices increased 55.3 percent from the previous year, pulling up the CPI for all fresh fruit by 13.5 percent. While orange production this year had not totally recovered, it was much larger than expected, and prices have been well below 1991. Supplies of most other fresh fruits have been ample and prices of most items have declined.

Lower Meat, Poultry, and Egg Prices Likely In 1992

	1990	1991	Forecast 1992
% change from year earlier			
All food	5.8	2.9	1.0
Food away from home	4.7	3.4	2.0
Food at home	6.5	2.6	0.5
Meat, poultry, and fish	7.3	2.3	-1.5
Meats	10.1	3.1	-2.0
Beef and veal	8.0	2.8	-0.5
Pork	14.7	3.3	-6.0
Other meats	9.3	3.7	-1.0
Poultry	-0.2	-0.8	-2.0
Fish and seafood	2.2	1.1	2.0
Eggs	4.7	-2.3	-10.5
Dairy products	9.4	-1.1	2.5
Fats and oils	4.2	4.3	-0.5
Fresh fruits and vegetables	8.0	4.6	-0.5
Fresh fruits	12.1	13.5	-5.5
Fresh vegetables	5.6	2.2	1.5
Processed fruits and vegetables	6.2	-1.9	3.5
Processed fruits	8.7	-3.7	5.0
Processed vegetables	2.7	0.8	1.5
Sugar and sweets	4.4	3.7	3.0
Cereals and bakery products	5.7	4.1	4.0
Nonalcoholic beverages	2.0	0.5	0.0
Other prepared foods	4.5	4.5	2.5

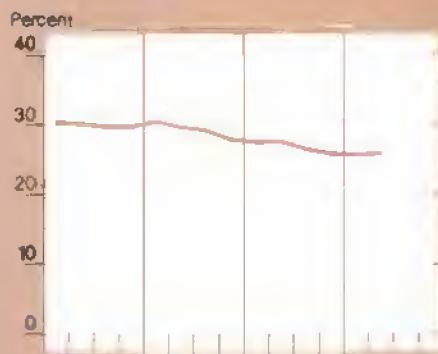
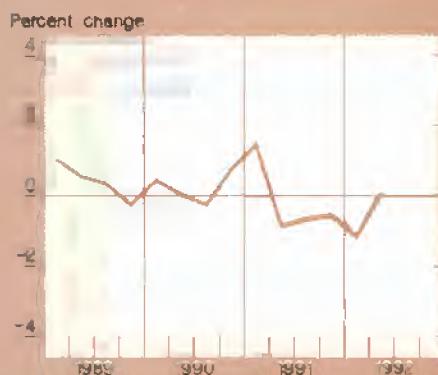
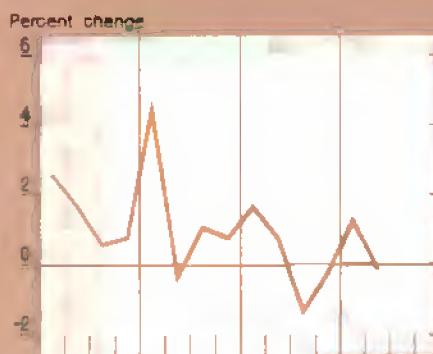
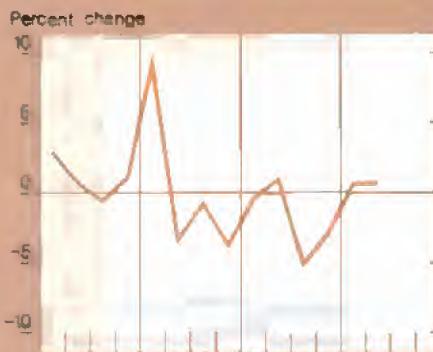
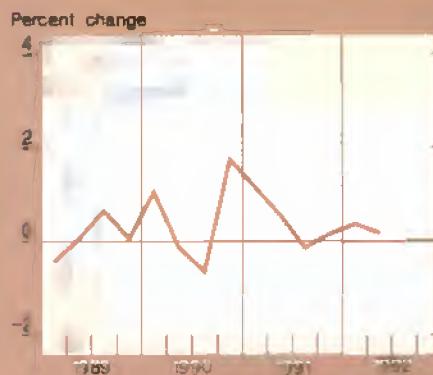
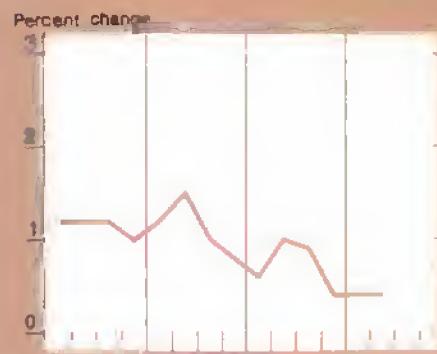
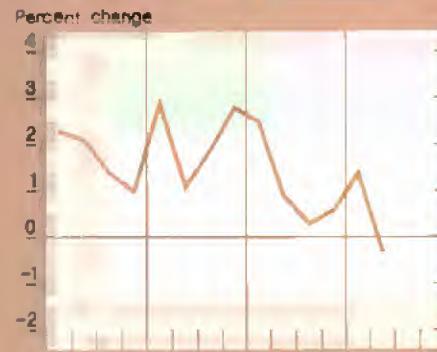
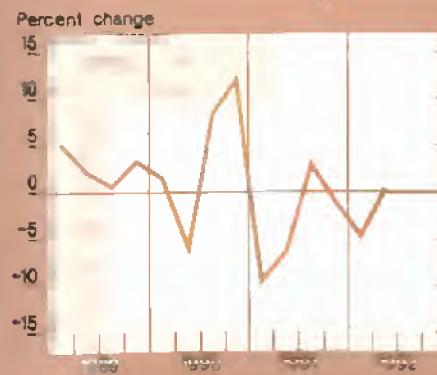
Consumer Price Index

Forecasts are within a range of plus or minus 0.5.

Source of historical data: Bureau of Labor Statistics. Forecasts by Economic Research Service, USDA.

Food & Marketing Indicators

Food & Marketing

CPI: Total food¹Retail cost of food¹Farm share of retail cost¹Index of packaging prices⁴CPI: Food at home¹Farm value of food¹Food marketing cost index²Index of rail freight rates⁴CPI: Food away from home¹Farm-retail spread¹Index of hourly earnings^{3,4}Index of energy rates⁴¹CPI unadjusted ²Index based on market basket of farm foods ³Index of changes in labor, packaging, transportation, energy, and other marketing costs in food retailing, wholesaling, and processing. ⁴Component of food marketing cost index.

All series expressed as percentage change from preceding quarter, except for "Farm share of retail cost" chart.

Food & Marketing

Lower coffee prices will keep the CPI for nonalcoholic beverages nearly level with 1991. Failure of the coffee producing countries to agree on shipment quotas has resulted in large coffee supplies. Modest increases in prices of carbonated beverages will offset declines in coffee prices.

For most other food categories, the CPI will rise less than the expected inflation rate, below 3 percent or so. Processed fruits, and cereals and bakery products, are exceptions.

The CPI for processed fruit is up, mainly because of higher orange juice prices. The Florida orange crop, the source of most U.S. frozen orange juice, was smaller than last year's relatively large crop. Frozen orange juice prices in 1991 were down 14 percent from 1990. While this year's price is about 4 percent higher, it is well below 2 years ago.

The CPI for cereals and bakery products is up about 4 percent this year. Higher grain prices following last year's steep drop explain part of the increase, but costs of processing and distribution account for the bulk of the increase. About 90 percent of the retail cost of cereals and bakery products is for costs incurred beyond the farm gate, with the remaining 10 percent accounting for costs of raw farm ingredients.

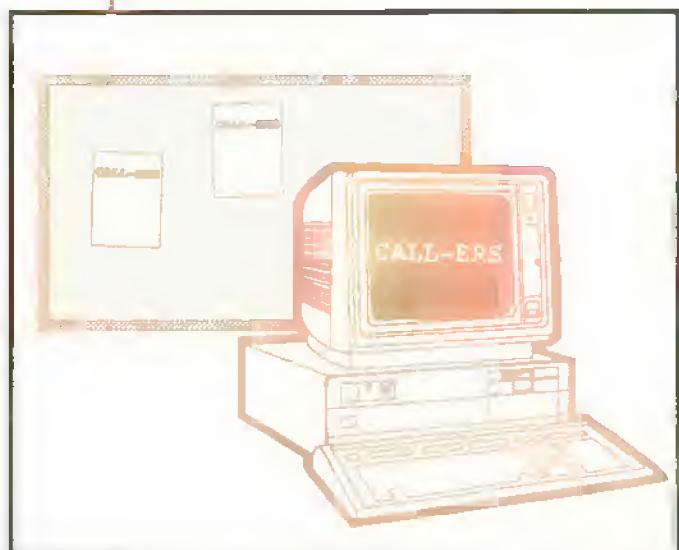
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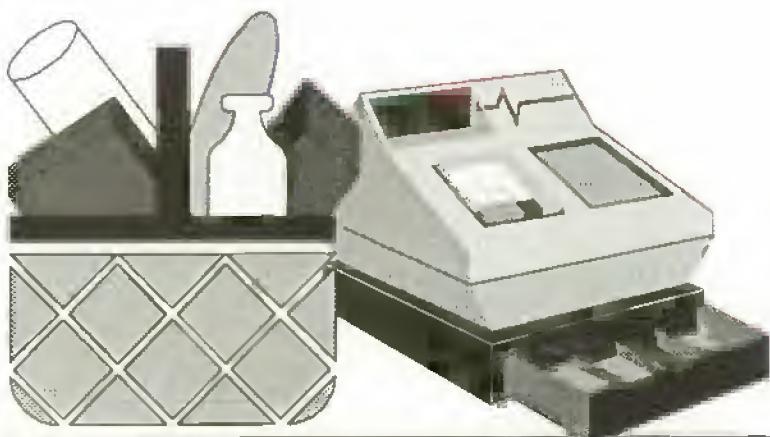
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Special Article



Brazilian-American Cultural Institute

Brazil & Argentina— Making Economic Reforms Last

Reforms are once again making a difference in Brazil and Argentina. Both countries are liberalizing trade, and deregulating and privatizing their economies. Capital is returning, attracted by changes in investment rules, higher interest rates, and the promise of growth.

Reforms have been stronger, faster, and more effective in Argentina. There, annual inflation is projected to be a more acceptable 20-30 percent, and the government will register a fiscal surplus in 1992, its second in two decades. Both Argentina and Brazil are projecting annual growth of 4 to 5 percent by the late 1990's—a welcome contrast to the stagnation of the 1980's, Latin America's "lost decade." From 1981 through 1990, Brazil averaged an annual real growth of only 1.5 percent, while Argentina averaged a negative 1.1 percent.

One reason for confidence in the new reforms is the contrast with those that failed previously. And there is a better mix of policy changes, with fewer disagreements over needed adjustments. Chile and Mexico are successfully demonstrating that free markets are the way to sustained growth.

The main problem facing Brazil and Argentina is that stabilizing economies is a delicate business—requiring credible governments, the right choices about policy tools, the proper size of

adjustments, and careful timing. Although policies for restoring growth and investment often show results in the long run, the transition periods are often turbulent. In Latin America, even "correct" policies have failed because the adjustments were too small, or because governments lacked the commitment to persevere.

Past reforms also tended to fail because they treated symptoms, not causes. A good example was Brazil's heavy reliance on indexation to control inflation and maintain income levels. With wages, prices, and interest rates indexed to inflation, prices were locked into an upward spiral.

After 10 years of declining real incomes, Argentina and Brazil are poised to make tough adjustments and to stay the course. They are better positioned for economic recovery because they have learned from past mistakes, and because both have negotiated debt reductions under the Brady Plan this year, providing a psychological boost as well as reducing debt service commitments.

In addition to raising confidence, lower debt payments will also permit both governments to use a wider range of fiscal and trade policies to restore growth. Brazil and Argentina need to maintain tight control over spending, expand tax reforms, and increase revenue through growth. One way they hope to do this is by increasing trade and investment within their own region.

Last year, Argentina, Brazil, Uruguay, and Paraguay signed and ratified the Treaty of Asuncion, formalizing Southern Cone Economic Integration. Through integration, the four countries plan to build a common market called MERCOSUR by January 1, 1995. MERCOSUR basically extends earlier integration agreements between Argentina and Brazil to the other two countries. Many see integration as a solid step toward restoring sustained regional growth.

Latin America has a history of unsuccessful attempts at integration. Few countries made lasting, credible reforms at home to parallel the integration efforts. Economic restructuring is now easing domestic problems and increasing the chances for successful integration. The main questions now are how far and how fast.

Brazil Restructures For Growth

Brazil's President Fernando Collor de Mello has initiated strong moves to open and stabilize Brazil's economy since taking office in early 1990. The reforms initially sent Brazil into a deep recession, but the economy shows signs of a modest recovery. Economic growth is forecast at 1-3 percent this year.

Trade policy reforms have been the most successful and far-reaching. These include reduction of tariffs, elimination of non-tariff barriers, and cutting trade red tape. Import tariffs have

Integrating the Southern Cone

Brazil, Argentina, Uruguay, and Paraguay are creating an ambitious common market called MERCOSUR (Common Market of the South). Plans call for the free movement of goods, services, capital, and labor; coordinated macroeconomic and exchange rate policies; and a common external tariff—all by 1995. MERCOSUR countries—mainly Brazil and Argentina—account for over half of Latin America's GDP, and about 44 percent of its population. Along with Chile, they form South America's Southern Cone region. Chile has yet to join MERCOSUR, but already has a very open economy.

The motivations for MERCOSUR are simple—the desire for sustained and faster economic growth, increased investment, improved efficiency through competition, and expanded markets. MERCOSUR would also increase the region's political clout in a world breaking into trading blocs.

The Southern Cone is also counting on integration to open doors to trading agreements outside the region. MERCOSUR's size and potential market should make it attractive to countries such as the U.S. Although much smaller than the EC or U.S., MERCOSUR has a population and GDP more than double that of Mexico.

MERCOSUR countries plan to ease the negotiation of future trade agreements by unifying trade rules into "MERCOSUR standards" to be in compliance with the International Organization for Standardization. Integration is also making it impossible for countries to postpone long-overdue reforms and investments. One priority is improving regional infrastructure, and an interregional waterway development is now proceeding with the help of an international development loan.

been reduced from an average of 45 percent in early 1990 to 21.2 percent in 1991. This year, the tariff reduction schedule was accelerated, with the goal to reduce average tariffs to 14 percent by mid-1993.

Despite the severe recession in 1990 and close to no growth in 1991, the value of Brazil's imports increased 14.8 percent from 1989 to 1991. Imports of agricultural inputs and pesticides—once restricted—rose 18 percent with deregulation in 1991. Imports of processed, value-added agricultural items have also increased with tariff reductions, despite Brazil's weak economy. Exports have grown too, in part due to the domestic recession, but also because of a more realistic market exchange rate.

While Brazil has taken some necessary steps to restore long-term stability and growth, critics remain skeptical. Collor's initial plans and proposals have been challenged by Congress, and by pressure from strong industry and labor groups seeking to

Most agree that a 1995 timetable for a full common market, with coordinated macroeconomic and exchange rate policies and a common external tariff, is not realistic. Obstacles include big differences in labor policies, foreign investment laws, and external tariff levels between MERCOSUR countries. Some sectors are not complementary from country to country, especially agriculture, where production overlaps and policies vary widely.

Agricultural producers in Brazil, for example, are increasing pressure to slow integration and buy time to improve competitiveness—many Argentine sectors have lower costs and higher yields, and Brazilian farmers are taxed more. Brazil's government still plays a fairly strong role in agriculture, providing credit, regulating price swings, storing commodities, and taxing agricultural output. Argentina, on the other hand, has eliminated almost all agricultural programs and interventions.

Domestic problems, especially inflation and political scandal in Brazil, are MERCOSUR's main roadblock. But even unstable Brazil is believed to have the political strength, economic size, industrial capacity, and export diversity to continue tariff reductions. By the end of this year, customs duties for most products traded within MERCOSUR will be 68 percent lower than 2 years earlier.

Though a common market in 1995 is unlikely, the region has a good chance at a free trade area by 1995. By itself, this might accomplish more in 4 years than the individual countries have been able to do in a decade. As plans for a common market proceed, regional trade is already up, and two-way trade between Argentina and Brazil totaled more than US\$3 billion in 1991, up over 50 percent from 1990.

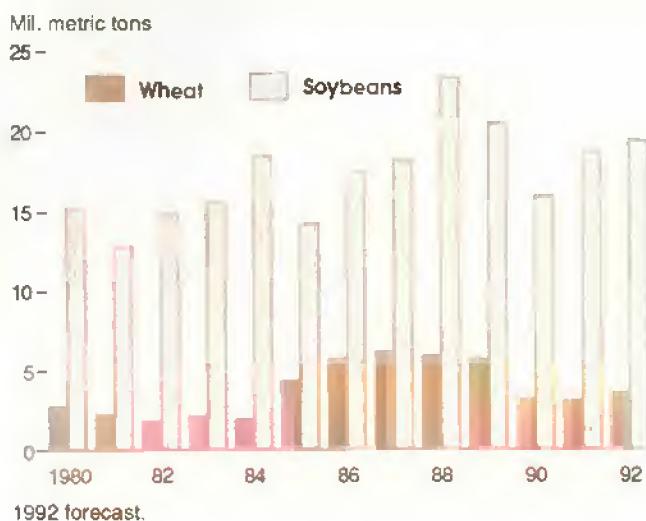
protect vested interests. In addition, inflation is still too high and creeping upward—rising from 20 to over 22 percent a month between June and August.

Prospects for continued recovery remain uncertain because of the threat of impeachment proceedings against Collor on charges of influence peddling. Political and popular support for Collor's removal is strong—an August poll showed that 75 percent of Brazilians support impeachment. During less stable times, this scandal would have been disastrous for economic reforms. So far, however, the scandal has only delayed major legislation on ports, government employment, and tax reforms.

If Collor is impeached, Vice President Itamar Franco will assume office. Franco is expected to continue Collor's market-oriented reforms, but political and economic analysts in Brazil speculate that progress may slow, and many reforms are already behind schedule.

Special Article

Brazil's Soybean Output Expands and Wheat Contracts



The fact that the political crisis has not caused a full-scale economic and political collapse leads to several conclusions. First, it affirms that Brazil's well-respected Economic Minister Marcilio Moreira is a major source of confidence in the government because Moreira's unprecedented support stems from a strong position against price freezes, indexation, and ad hoc policy changes. By not resigning as many top officials have, Moreira is helping maintain credibility in economic policy.

Recent events also suggest that Brazilian political institutions and the democratic process have grown stronger—good news for a country that was under military rule only 10 years ago. And there is a silver lining. The impeachment proceedings through democratic process send a clear message that Brazilians have lowered their tolerance for corruption.

Brazil's Policies To Boost Output

Brazil's agricultural outlook continues to improve, especially for the 1992/93 crops now being planted. This year's crop policies include several features to increase production, especially in the soybean sector. Most significant are increases in credit for production, agro-industrial expansion, and machinery.

For example, funding for the production credit program was increased to US\$5.2 billion in 1992. Last year's expanded credit boosted agricultural output significantly, and this level represents an expansion of about US\$1 billion above last year. Interest rates are also more favorable than last year. After adjusting loans by the daily reference interest rates (which roughly follow inflation), interest will range from a low of 6 percent for the smallest producers, to a high of 12.5 percent for larger producers. Last year, effective (or real) interest rates ranged from 9 to 12.5 percent; these were in turn lower than previous rates, which topped at 18 percent.

A new twist in the production credit program could also enhance productivity and expand financing limits for all producers. Again, soybean producers are likely to benefit considerably. Under new rules, producers that follow extension service recommendations are eligible for 100-percent financing of production costs. Most soybean producers should benefit from this policy, as medium- and large-sized soybean producers currently can finance only 60 percent of production costs under the base program.

Other factors point to expansion of soybean production as well. First, producers are well financed due to higher returns on the last crop, and producers who export soybeans can now access international financing. This is a definite advantage over domestic commercial credit, with rates averaging 3 percent per month over inflation. Second, lowering the minimum corn support price by 5 percent will shift some corn area into soybeans. In addition to area expansion, soybean yields may continue to benefit from earlier planting as wheat area is generally much lower than in years past.

Although the production credit package has the most influence on planting and production decisions, agriculture will benefit from other reforms such as the elimination of input taxes, reduction of import tariffs on agricultural inputs and pesticides, and a devalued cruzeiro (Brazil's currency).

One of the most dramatic changes under Collor was the end of the government's monopoly on wheat marketing and trade in 1990 and 1991. This was combined with large cuts in producer subsidies that caused production to drop. Imports of wheat, primarily from Argentina, have increased substantially, and production is unlikely to return to the 6-million-metric-ton level achieved in the late 1980's.

Obstacles Remain

While Brazilian agriculture is generally expected to expand for the second consecutive year, production remains constrained by state-level value added taxes on agricultural products (ICMS), high freight costs, an inefficient and wasteful storage system, and high commercial interest rates that keep the sector dependent on government financing.

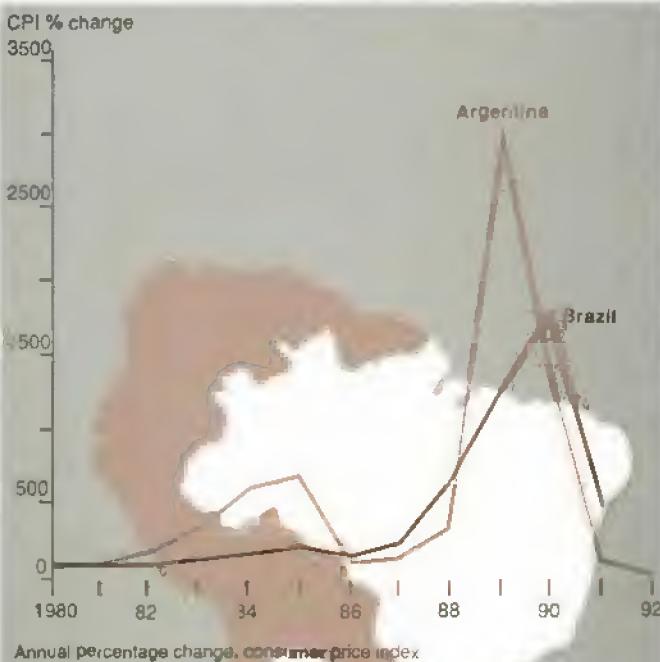
Collor has called for the elimination of the ICMS taxes, but these are under state control, and their removal is unlikely in the near future. Because the ICMS tax increases the cost of food items, the tax depresses food demand and is a heavy burden on Brazil's largely poor population. Although agriculture will benefit from other reforms such as reduced intervention in marketing and storage, these may take years to complete.

Proposed reforms include solid plans to privatize agricultural storage by selling government storage facilities, certifying storage facilities, and improving grain marketing by developing a commodities exchange and other marketing mechanisms. A port reform bill, stalled by the current political scandal, would

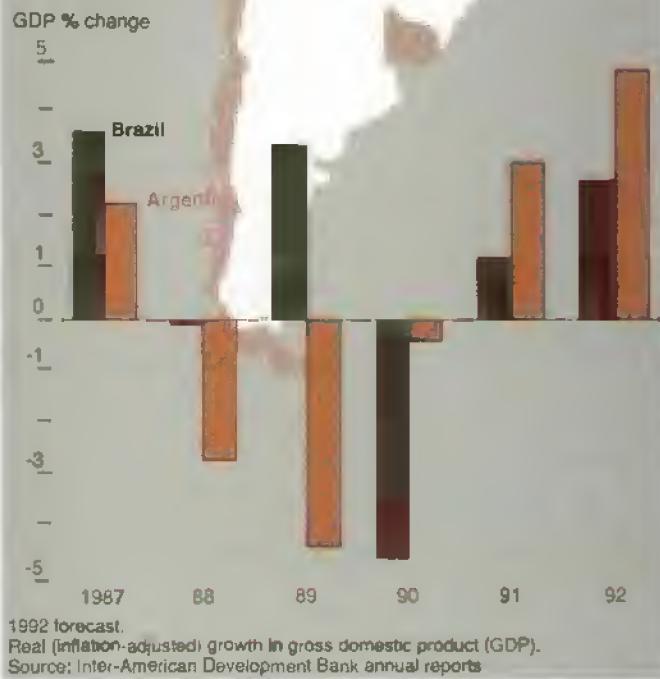
substantially reduce port costs and enhance export competitiveness. Brazil's ports are among the world's costliest and least efficient.

The future of production credit remains unclear, as budgetary pressures could resurface and reduce funding. In the medium term, the government will likely attempt to maintain current funding levels while streamlining spending on other less critical programs.

Brazil and Argentina are Taming Inflation . . .



. . . and Economic Recovery Takes Hold



1992 forecast.
Real (inflation-adjusted) growth in gross domestic product (GDP).
Source: Inter-American Development Bank annual reports

Meanwhile, Brazil is unlikely to repeat the cuts in agricultural credit made during the late 1980's, which proved disastrous on several counts. Virtually all crop sectors (excluding specialty crops) were adversely affected, especially under the government's policy of maintaining high real interest rates to control inflation. Along with cuts in funding, the cost of subsidized credit increased, with loans tied to the rate of inflation, plus real interest rates of up to 18 percent.

As a result, agricultural output dropped sharply, aided by a drought. Investment also plummeted as tractor sales in 1990 fell to half of 1989 levels. Tighter food supplies pushed prices up—further fueling inflation and exacerbating urban problems as rural workers migrated to cities.

Argentina's Reforms Mean Lower Costs to Agriculture

Argentina's economic reform program is helping agriculture by lowering production and marketing costs. As part of its policy of general reduction in import barriers, Argentina has lowered import duties on agricultural inputs, encouraging an increase in their use. The government estimates that transportation reforms implemented in 1992 could decrease transport costs by as much as 30 percent. This should be a significant factor in reducing agricultural production costs, because Argentine producers reportedly face some of the world's highest inland freight costs on a per-mile basis.

Producers are benefiting from specific sectoral reforms as well. The most important reform was the end of most agricultural export taxes in 1991. Only two remain—a 6-percent tax on oilseeds exports and a 1.5-percent tax on all products to fund agricultural research.

Although input use has increased, farm tractor sales have barely changed. One reason for caution may be that producers are waiting to see if the export tax reforms are truly permanent.

Several commodity agencies were also eliminated under Argentina's reforms—the National Grain Board, the National Meat Board, and similar agencies for sugar and tobacco. Because these agencies had few functions, however, their dissolution is not expected to have a major impact on production or marketing. The privatization of state-owned grain elevators is nearly complete, and should eventually increase storage and marketing efficiency.

Exporters are still concerned about losing competitiveness, as the Argentine peso continues to appreciate in world markets. The country's strong exchange rate policy, which set the peso equal to the U.S. dollar in January 1992, has increased government credibility. But this fixed exchange rate, combined with lower levels of inflation, has led to overvaluation, which lowers the price of export commodities in domestic currency. Thus far, the government has been unwilling to devalue the currency (increase the money supply). In the short run, this would boost exports and encourage expanded production, but it could also rekindle inflation.

Special Article

To help compensate for some of the negative impact on exporters of a strong currency, Argentina introduced small export subsidies for beef exporters, who are also adjusting to tighter marketing and sanitation rules. Beef exporters will now receive refunds on the total value of exports, set at 3.3 percent for offal and frozen beef exports, and 6.7 percent for thermoprocessed beef.

Recent reforms have left Argentine agriculture fairly open to world and domestic market pressures, nearly eliminating government regulations that have constrained investment and limited growth. In some ways, this makes it more difficult to predict the outlook for specific agricultural sectors because there are no policy adjustments pointing to expansion, contraction, or shifts in production. Instead, the sector will respond to signals from both international and domestic markets.

While increased investment is expected, it has yet to make a strong showing. Agricultural expansion in 1991 was attributable mostly to good weather, increased input use, and lower production costs for most commodities. USDA is projecting a drop in total Argentine grain output of more than 3 percent for the 1992/93 crop year. Planted area is expected to be down due to high financing costs and lower export profitability stemming from currency overvaluation. In the longer run, Argentine agriculture is expected to diversify and reduce its dependence on traditional commodities such as corn, oilseeds, wheat, and beef. There is likely to be some expansion in canola, and in fruit and vegetable sectors with further market development, both domestically and internationally.

Both Brazil and Argentina are pushing ahead on reforms, with a more realistic assessment of the commitment and time needed for results. Although obstacles remain, both countries appear poised to join Chile and Mexico in demonstrating the effectiveness of freer agricultural markets in achieving lasting economic growth.

[Emily McClain (202) 219-0687] AO

October Releases from USDA's Agricultural Statistics Board

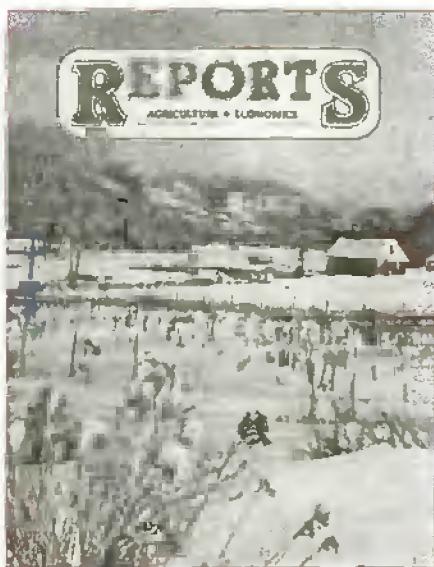
The following reports are issued at 3 p.m. Eastern time on the dates shown.

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- 1 Trout Production
- 5 Dairy Products
- Egg Products
- 6 Poultry Slaughter
- 7 Celery
- 8 Cotton Ginnings
Crop Production
- 9 Farm Labor
Vegetables
- 14 Turkey Hatchery
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- 21 Catfish
- 23 Cattle on Feed
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Statistical Indicators

Summary Data

Table 1.—Key Statistical Indicators of the Food & Fiber Sector

	1991		1992				1993		
	IV	Annual	I	II	III F	IV F	Annual F	I F	Annual F
Prices received by farmers (1977=100)	142	146	138	141	—	—	—	—	—
Livestock & products	158	161	152	155	—	—	—	—	—
Crops	126	130	123	126	—	—	—	—	—
Prices paid by farmers (1977=100)	172	173	171	173	—	—	—	—	—
Production items	189	189	189	191	—	—	—	—	—
Commodities & services, interest, taxes, & wages	—	—	—	—	—	—	—	—	—
Cash receipts (\$ bil.) 1/	167	167	160	—	—	—	—	—	—
Livestock (\$ bil.)	89	87	84	—	—	—	—	—	—
Crops (\$ bil.)	85	80	78	—	—	—	—	—	—
Market basket (1982-84=100)	—	—	—	—	—	—	—	—	—
Retail cost	137	137	138	138	—	—	—	—	—
Farm value	101	106	102	103	—	—	—	—	—
Spread	166	154	158	157	—	—	—	—	—
Farm value/retail cost (%)	28	27	26	26	—	—	—	—	—
Retail prices (1982-84=100)	—	—	—	—	—	—	—	—	—
Food	137	137	138	138	138	138	138	—	—
At home	136	136	137	137	136	137	137	—	—
Away from home	141	138	140	140	141	142	141	—	—
Agricultural exports (\$ bil.) 2/	11.3	37.5	11.3	10.1	8.8	11.3	41.5	—	—
Agricultural imports (\$ bil.) 2/	5.8	22.6	6.1	8.2	5.4	5.8	23.5	—	—
Commercial production	—	—	—	—	—	—	—	—	—
Red meat (mil. lb.)	10,316	39,402	10,086	9,915	10,379	10,400	40,870	10,025	41,198
Poultry (mil. lb.)	8,338	24,885	8,309	8,818	8,835	8,565	28,127	8,515	27,000
Eggs (mil. doz.)	1,475	5,758	1,458	1,451	1,460	1,485	5,854	1,455	5,850
Milk (bil. lb.)	38.2	148.5	38	39.1	37.4	36.9	151.4	38.2	151.9
Consumption, per capita	—	—	—	—	—	—	—	—	—
Red meat and poultry (lb.)	53.4	203.9	51.0	51.6	52.9	54.4	210.0	51.5	212.2
Corn beginning stocks (mil. bu.) 3/	2,992.0	—	1,521.2	6,541.1	4,561.0	2,738.6	—	1,081.0	—
Corn use (mil. bu.) 3/	1,472.2	7,760.7	2,461.1	1,984.5	1,827.8	1,861.6	7,935.0	—	8,035.0
Prices 4/	—	—	—	—	—	—	—	—	—
Choice steers—Neb. Direct (\$/cwt)	69.96	74.28	75.77	75.94	73-74	71-77	74-76	72-78	72-78
Barrows & gilts—IA, So, MN (\$/cwt)	40.80	49.69	39.55	45.65	43-44	37-43	41-43	37-43	40-46
Broilers—12-city (cts./lb.)	50.5	52.0	50.2	52.3	53-54	45-51	50-52	48-54	49-55
Eggs—NY gr. A large (cts./doz.)	76.8	77.5	63.8	62.0	64-65	69-75	85-87	63-69	69-75
Milk—all at plant (\$/cwt)	13.70	12.24	12.97	12.87	13.40-	13.30-	13.15-	12.65-	11.90-
Wheat—KC HRW ordinary (\$/bu.)	3.82	3.18	4.50	3.94	—	—	—	—	—
Corn—Chicago (\$/bu.)	2.49	2.47	2.66	2.59	—	—	—	—	—
Soybeans—Chicago (\$/bu.)	5.66	5.69	5.75	5.93	—	—	—	—	—
Cotton—Avg. spot 41-34 (cts./lb.)	55.6	69.7	51.4	56.4	—	—	—	—	—
	1984	1985	1986	1987	1988	1989	1990	1991	1992 F
Gross cash income (\$ bil.)	156.1	157.9	152.8	165.2	172.7	180.2	186.4	183	180-185
Gross cash expenses (\$ bil.)	118.7	110.7	105.0	109.4	114.6	121.2	125.2	125	125-129
Net cash income (\$ bil.)	37.4	47.1	47.8	55.8	58.1	58.9	61.3	58	54-57
Net farm income (\$ bil.)	26.1	28.8	31.0	39.7	41.1	49.9	51.0	45	42-47
Farm real estate values 5/	—	—	—	—	—	—	—	—	—
Nominal (\$ per acre)	801	713	640	599	632	661	668	681	685
Real (1982 \$)	769	657	588	518	530	533	517	506	491

1/ Quarterly data seasonally adjusted at annual rates. 2/ Annual data based on Oct.-Sept. fiscal years ending with year indicated. 3/ Sept.-Nov. first quarter; Dec.-Feb. second quarter; Mar.-May third quarter; Jun.-Aug. fourth quarter; Sept.-Aug. annual. Use includes exports & domestic disappearance. 4/ Simple average. 5/ 1990-92 values as of January 1. 1988-89 values as of February 1. 1984-85 values as of April 1. F = forecast, — = not available.

U.S. & Foreign Economic Data

Table 2.—U.S. Gross Domestic Product & Related Data

	Annual			1991			1992	
	1989	1990	1991	II	III	IV	I	II R
\$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	5,250.8	5,522.2	5,677.5	5,657.6	5,713.1	5,753.3	5,840.2	5,898.6
Gross national product	5,268.8	5,542.9	5,694.9	5,874.3	5,726.4	5,764.1	5,859.8	5,909.3
Personal consumption expenditures	3,523.1	3,748.4	3,887.7	3,871.9	3,914.2	3,942.9	4,022.8	4,053.9
Durable goods	459.4	484.3	446.1	441.4	453.0	450.4	469.4	469.5
Non durable goods	1,149.5	1,224.5	1,251.5	1,254.2	1,265.3	1,251.4	1,274.1	1,277.3
Clothing & shoes	200.4	206.9	209.0	210.8	212.0	206.8	216.5	217.3
Food & beverages	565.1	601.4	617.7	619.2	617.9	620.0	627.9	623.6
Services	1,914.2	2,059.7	2,190.1	2,176.3	2,205.9	2,241.1	2,279.3	2,307.2
Gross private domestic investment	832.3	799.5	721.1	710.2	732.8	736.1	722.4	771.9
Fixed investment	798.9	793.2	731.3	732.0	732.6	728.9	738.2	782.2
Change in business inventories	33.3	6.3	-10.2	-21.8	0.2	9.2	-15.8	9.7
Net exports of goods & services	-79.7	-68.9	-21.8	-15.3	-27.1	-16.0	-8.1	-36.6
Government purchases of goods & services	975.2	1,043.2	1,090.5	1,090.8	1,093.3	1,090.3	1,103.1	1,109.4
1987 \$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	4,638.0	4,877.5	4,821.0	4,817.1	4,831.8	4,838.5	4,873.7	4,891.0
Gross national product	4,852.7	4,895.9	4,836.4	4,831.8	4,843.7	4,848.2	4,890.7	4,900.6
Personal consumption expenditures	3,223.3	3,260.4	3,240.8	3,239.3	3,251.2	3,249.0	3,289.3	3,287.4
Durable goods	440.7	439.3	414.7	411.3	419.4	416.1	432.3	429.0
Non durable goods	1,051.6	1,058.5	1,042.4	1,046.3	1,044.8	1,035.6	1,049.6	1,045.3
Clothing & shoes	187.8	185.9	181.3	183.2	183.7	177.5	184.1	184.3
Food & beverages	515.0	520.8	515.8	516.3	515.0	515.3	518.9	513.9
Services	1,731.0	1,764.6	1,783.7	1,781.8	1,787.0	1,797.4	1,807.3	1,813.1
Gross private domestic investment	784.0	739.1	661.1	649.5	672.0	676.9	668.9	712.6
Fixed investment	754.2	732.9	670.4	669.8	671.4	669.3	681.4	703.4
Change in business inventories	29.8	8.2	-9.3	-20.4	0.8	7.5	-12.6	9.2
Net exports of goods & services	-73.7	-51.8	-21.8	-17.4	-31.8	-20.5	-21.5	-44.7
Government purchases of goods & services	904.4	929.9	941.0	945.6	940.2	933.1	937.0	935.7
GDP implicit price deflator (% change)	4.4	4.3	4.1	3.5	2.4	2.4	3.1	2.7
Disposable personal income (\$ bil.)	3,787.0	4,042.9	4,209.6	4,189.7	4,227.8	4,284.9	4,380.9	4,412.7
Disposable per. income (1987 \$ bil.)	3,484.9	3,518.5	3,509.0	3,505.2	3,511.5	3,530.8	3,565.7	3,678.3
Per capita disposable per. income (\$)	15,307	16,174	16,658	16,604	18,706	18,885	17,143	17,301
Per capita dis. per. income (1987 \$)	14,005	14,088	13,886	13,891	13,876	13,913	14,017	14,030
U.S. population, total, incl. military abroad (mil.) *	247.3	249.9	252.7	252.2	252.9	253.7	254.3	254.9
Civilian population (mil.) *	245.1	247.8	250.6	250.1	250.8	251.6	252.3	253.0
	Annual			1991			1992	
	1989	1990	1991	July	Apr	May	June	July
Monthly data seasonally adjusted								
Industrial production (1987=100)	108.1	109.2	107.1	108.1	108.1	108.9	108.5	108.9
Leading economic indicators (1982=100)	144.9	144.0	143.6	145.8	149.0	149.9	149.5	149.6
Civilian employment (mil. persons)	117.3	117.9	118.9	116.7	117.7	117.7	117.6	117.8
Civilian unemployment rate (%)	5.2	5.4	6.6	6.8	7.2	7.5	7.8	7.7
Personal income (\$ bil. annual rate)	4,380.3	4,684.2	4,828.3	4,827.8	5,015.0	5,032.7	5,038.8	5,050.0
Money stock-M2 (daily avg) (\$ bil.) 1/	3,227.3	3,339.0	3,439.9	3,407.5	3,470.2	3,472.1	3,463.1	3,460.3
Three-month Treasury bill rate (%)	8.12	7.51	5.42	5.58	3.81	3.66	3.70	3.28
AAA corporate bond yield (Moody's) (%)	9.26	9.32	8.77	9.00	8.33	8.26	8.22	8.07
Housing starts (1,000) 2/	1,376	1,193	1,014	1,053	1,086	1,196	1,151	1,119
Auto sales at retail, total (mil.)	9.9	9.5	6.4	8.9	6.2	8.4	8.9	8.3
Business inventory/sales ratio	1.51	1.51	1.52	1.52	1.51	1.52	1.50	—
Sales of all retail stores (\$ bil.)	145.1	150.8	151.6	154.8	158.4	159.1	158.7	159.5
Non durable goods stores (\$ bil.)	90.8	96.0	98.0	100.0	100.9	101.5	101.3	101.9
Food stores (\$ bil.)	28.8	30.2	30.9	31.9	32.1	32.0	32.0	32.0
Eating & drinking places (\$ bil.)	14.5	15.2	15.8	16.2	16.4	16.4	16.1	16.2
Apparel & accessory stores (\$ bil.)	7.8	7.9	8.0	8.1	8.2	8.3	8.4	8.5

1/ Annual data as of December of the year listed. 2/ Private, including farm. R = revised. P = preliminary. — = not available.

Note: * Population estimates based on 1990 census.

Information contact: Ann Duncan (202) 219-0313

Table 3.—Foreign Economic Growth, Inflation, & Exports

	1983	1984	1985	1986	1987	1988	1989	1990	1991 E	1992 F	1993 F	Average 1981-90
Annual percent change												
World, less U.S.												
Real GDP	2.4	3.6	3.5	3.0	3.4	4.4	3.5	3.0	1.1	1.6	3.0	3.0
GDP deflator	8.4	7.8	8.0	7.5	9.1	10.8	11.2	33.8	16.9	25.8	22.8	10.5
Real exports	2.2	9.5	3.9	2.1	5.9	7.8	8.6	6.4	2.9	3.0	5.3	5.3
Developed less U.S.												
Real GDP	2.1	3.2	3.4	2.7	3.2	4.5	3.8	3.5	1.6	1.2	2.4	2.9
GDP deflator	8.2	4.8	3.8	3.0	2.8	3.6	4.7	3.5	4.4	4.0	3.4	5.0
Real exports	2.7	10.6	5.4	-0.1	4.1	7.3	9.7	7.8	4.1	2.3	5.1	5.7
Eastern Europe & C.I.S.												
Real GDP	3.6	3.8	2.0	3.2	2.1	3.8	1.8	-4.5	-14.9	-10.9	-0.8	1.9
GDP deflator 1/	3.8	3.7	4.8	6.7	10.8	32.0	38.2	215.7	74.0	100.1	55.5	33.1
Real exports	3.6	4.9	-5.5	10.1	5.5	7.3	-6.3	-8.9	-31.5	-3.7	0.6	0.7
Developing												
Real GDP	2.9	4.7	4.2	3.9	4.2	4.4	3.8	3.2	3.2	5.2	5.2	3.5
GDP deflator	38.7	37.3	36.4	25.5	33.1	26.4	19.1	16.7	14.9	11.6	13.5	28.9
Real exports	0.4	7.1	1.7	7.4	10.9	9.3	8.8	5.4	5.5	6.1	6.6	4.0
Asia												
Real GDP	8.4	7.5	6.4	7.0	7.8	9.0	5.3	5.6	5.8	5.5	5.7	6.8
GDP deflator	6.3	7.5	5.9	4.4	7.8	8.2	6.1	8.2	6.5	7.5	7.5	6.7
Real exports	6.4	11.3	2.9	18.9	15.8	14.9	8.2	7.2	8.8	7.5	8.3	9.2
Latin America												
Real GDP	-2.7	3.7	3.6	4.4	3.0	0.0	1.3	-0.1	2.8	2.7	4.2	1.2
GDP deflator 1/	30.0	41.2	69.4	63.3	128.2	66.5	35.9	29.7	24.5	15.9	18.8	49.8
Real exports	2.0	12.0	2.0	0.0	8.0	6.8	10.4	3.8	2.5	9.1	9.7	5.2
Africa												
Real GDP	0.7	2.1	2.4	1.8	0.3	2.4	3.1	1.4	1.8	2.9	3.1	1.7
GDP deflator	16.4	12.1	12.2	8.0	25.1	17.1	19.4	15.1	20.1	14.5	12.4	14.3
Real exports	-5.3	-1.5	3.5	-1.0	0.0	2.9	5.0	7.5	4.7	1.9	1.6	-2.0
Middle East												
Real GDP	3.2	2.3	1.7	-3.1	0.4	1.1	3.2	3.4	-3.7	11.4	7.5	1.1
GDP deflator	-3.9	1.3	3.1	5.7	14.6	9.6	12.8	19.2	0.8	9.3	12.6	7.8
Real exports	-19.6	-8.7	-7.1	-3.8	24.6	4.8	21.0	4.7	4.4	25.8	35.7	0.0

1/ Excludes Yugoslavia, Argentina, Brazil, & Peru starting in 1989. E = estimate. F = forecast.

Information contact: Alberto Jorardo, (202) 219-0717.

Farm Prices

Table 4.—Indexes of Prices Received & Paid by Farmers, U.S. Average

	Annual			1991				1992			
	1989	1990	1991	Aug	Mar	Apr	May	June	July R	Aug P	
1977 = 100											
Prices received											
All farm products	147	149	146	146	143	141	141	140	138	137	
All Crops	134	127	130	133	131	128	129	122	117	114	
Food grains	150	123	115	111	152	148	148	139	129	119	
Feed grains & hay	128	123	118	117	123	124	124	124	117	110	
Food grains	123	118	115	115	123	123	124	122	116	107	
Cotton	98	107	108	111	82	88	86	94	91	91	
Tobacco	149	152	161	149	175	145	145	145	139	143	
Oil-bearing crops	102	94	91	91	84	84	88	87	83	81	
Fruit, all	194	188	268	342	204	211	203	194	153	152	
Fresh market 1/	205	197	299	384	214	223	213	198	150	148	
Commercial vegetables	145	142	138	113	195	146	123	120	137	150	
Fresh market	144	144	132	108	222	161	118	113	137	164	
Potatoes & dry beans	186	188	140	132	108	134	111	119	176	156	
Livestock & products	160	170	161	158	155	155	157	157	158	159	
Meat animals	174	193	186	180	177	178	179	177	177	178	
Dairy products	140	141	126	127	128	129	133	138	138	139	
Poultry & eggs	137	131	123	126	111	111	113	114	117	119	
Prices paid											
Commodities & services,											
Interest, taxes, & wage rates	178	184	189	—	191	—	—	—	192	—	
Production items	165	171	173	—	174	—	—	—	174	—	
Feed	136	128	123	—	128	—	—	—	123	—	
Feeder livestock	194	213	214	—	199	—	—	—	204	—	
Seed	165	165	163	—	162	—	—	—	162	—	
Fertilizer	137	131	134	—	132	—	—	—	132	—	
Agricultural chemicals	132	139	151	—	160	—	—	—	160	—	
Fuels & energy	180	204	203	—	184	—	—	—	206	—	
Farm & motor supplies	151	154	154	—	160	—	—	—	160	—	
Autos & trucks	223	231	244	—	261	—	—	—	262	—	
Tractors & self-propelled machinery	193	202	211	—	217	—	—	—	217	—	
Other machinery	208	216	226	—	234	—	—	—	234	—	
Building & fencing	141	143	146	—	151	—	—	—	150	—	
Farm services & cash rent	161	168	170	—	171	—	—	—	171	—	
Int. payable per acre on farm real estate debt	176	174	172	—	168	—	—	—	168	—	
Taxes payable per acre on farm real estate	151	158	160	—	165	—	—	—	165	—	
Wage rates (seasonally adjusted)	185	191	201	—	212	—	—	—	212	—	
Production items, interest, taxes, & wage rates	187	172	175	—	175	—	—	—	176	—	
Ratio, prices received to prices paid (%) 2/	83	81	77	77	76	74	74	73	72	71	
Prices received (1910-14=100)	673	681	666	667	653	644	643	640	630	628	
Prices paid, etc. (parity index) (1910-14=100)	1,221	1,265	1,200	—	1,314	—	—	—	1,321	—	
Parity ratio (1910-14=100) (%) 2/	55	64	51	—	48	—	—	—	48	—	

1/ Fresh market for noncitrus; fresh market & processing for citrus. 2/ Ratio of index of prices received for all farm products to index of prices paid for commodities & services, interest, taxes, & wage rates. Ratio uses the most recent prices paid index. Prices paid data are quarterly & will be published in January, April, July, & October. R = revised. P = preliminary. — = not available.

Information contact: Ann Duncan (202) 219-0313.

Table 5.—Prices Received by Farmers, U.S. Average

	Annual 1/			1991		1992				
	1989	1990	1991	Aug	Mar	Apr	May	June	July R	Aug P
CROPS										
All wheat (\$/bu.)	3.72	2.61	3.05	2.63	3.72	3.65	3.66	3.42	3.14	2.88
Rice, rough (\$/cwt)	7.35	6.70	7.70	7.16	7.72	7.39	7.11	6.93	6.94	6.81
Corn (\$/bu.)	2.38	2.28	2.40	2.33	2.49	2.48	2.48	2.47	2.32	2.13
Sorghum (\$/cwt)	3.75	3.70	4.15	4.01	4.30	4.29	4.31	4.22	3.80	3.77
All hay, baled (\$/ton)	85.40	80.60	71.00	71.50	70.10	73.00	74.20	75.50	71.80	69.80
Soybeans (\$/bu.)	5.69	5.74	5.60	5.66	5.67	5.88	5.87	5.94	5.59	5.34
Cotton, upland (cts./lb.)	63.6	67.1	—	66.9	49.9	52.0	52.2	56.9	55.3	55.0
Potatoes (\$/cwt)	7.36	6.06	5.05	5.52	4.33	5.58	4.42	4.88	7.59	6.80
Lettuce (\$/cwt) 2/	12.60	11.50	11.40	8.32	12.10	9.75	11.30	9.81	13.10	19.70
Tomatoes fresh (\$/cwt) 2/	33.20	27.40	31.90	21.90	80.70	32.40	18.70	24.20	27.80	24.00
Onions (\$/cwt)	11.40	10.50	12.50	12.90	21.10	23.30	12.50	9.73	12.20	15.70
Dry edible beans (\$/cwt)	28.50	18.50	15.80	15.80	16.40	16.70	15.40	17.20	17.50	—
Apples for fresh use (cts./lb.)	13.9	20.9	25.1	23.4	24.2	24.3	25.0	25.7	27.1	27.1
Pears for fresh use (\$/ton)	336.00	380.00	385.00	342.00	364.00	379.00	437.00	—	390.00	276.00
Oranges, all uses (\$/box) 3/	7.08	6.16	7.35	18.70	6.04	6.59	5.73	5.14	2.32	1.56
Grapefruit, all uses (\$/box) 3/	4.41	5.86	5.26	3.43	7.11	7.85	3.98	4.02	2.87	3.11
LIVESTOCK										
Beef cattle (\$/cwt)	69.70	74.80	72.90	68.80	72.90	72.80	71.90	70.20	70.60	71.30
Calves (\$/cwt)	91.80	96.50	100.00	98.30	94.10	92.00	89.60	86.40	90.10	91.00
Hogs (\$/cwt)	43.20	54.00	48.80	51.20	38.90	40.70	44.80	46.40	44.40	44.30
Lambs (\$/cwt)	67.30	56.00	52.60	53.40	63.40	69.30	68.80	67.00	61.40	58.00
All milk, sold to plants (\$/cwt)	13.56	13.74	12.26	12.40	12.50	12.50	12.90	13.20	13.40	13.50
Milk, manuf. grade (\$/cwt)	12.38	12.34	11.05	11.30	11.10	11.50	11.90	12.20	12.40	12.40
Broilers (cts./lb.)	36.1	32.4	31.0	32.4	29.7	29.4	31.7	31.6	33.8	34.8
Eggs (cts./doz.) 4/	70.0	70.4	56.9	63.0	54.2	54.5	51.7	53.0	52.3	53.4
Turkeys (cts./lb.)	40.0	38.4	38.5	40.1	37.0	36.8	37.6	37.4	38.2	37.0
Wool (cts./lb.) 5/	124.0	80.0	55.0	47.0	62.7	75.4	90.3	87.1	74.1	65.0

1/ Season average price by crop year for crops. Calendar year average of monthly prices for livestock. 2/ Excludes Hawaii. 3/ Equivalent on-tree returns.

4/ Average of all eggs sold by producers including hatching eggs & eggs sold at retail. 5/ Average local market price, excluding incentive payments.

P = preliminary. R = revised. — = not available.

Information contact: Ann Duncan (202) 219-0313.

Producer & Consumer Prices

Table 6.—Consumer Price Index for All Urban Consumers, U.S. Average (Not Seasonally Adjusted)

	Annual	1991		1992						
	1991	1991	Aug	Jan	Feb	Mar	Apr	May	June	July
1982-84=100										
Consumer Price Index, all items	136.2	138.6	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9
Consumer Price Index, less food	136.1	136.7	138.3	138.8	139.5	139.7	140.1	140.7	141.1	141.4
All food	136.3	136.0	137.2	137.5	138.1	138.1	137.4	137.4	137.2	138.0
Food away from home	137.9	136.0	139.7	139.9	140.1	140.2	140.4	140.7	140.8	141.0
Food at home	135.8	134.9	136.4	136.6	137.5	137.4	138.2	136.1	135.7	136.9
Meats 1/	132.5	132.9	130.0	130.3	131.1	130.2	130.3	131.0	130.0	130.6
Beef & veal	132.4	132.3	131.2	131.8	133.4	133.2	132.6	132.7	130.7	131.4
Pork	134.1	135.7	127.8	127.2	127.0	125.1	126.8	127.9	129.1	129.5
Poultry	131.5	132.4	131.2	128.1	128.2	129.2	129.1	130.7	132.1	133.7
Fish	148.3	145.2	154.8	151.0	152.6	153.5	151.8	149.1	150.4	151.6
Eggs	121.2	121.0	113.9	110.7	106.0	105.1	104.2	100.7	104.7	102.2
Dairy products 2/	125.1	124.5	128.2	128.1	127.8	127.4	127.0	127.8	128.3	129.2
Fats & oils 3/	131.7	132.1	130.7	131.3	129.8	129.8	130.4	130.2	129.9	129.5
Fresh fruit	193.9	187.4	188.6	183.1	188.7	187.4	190.0	182.9	173.3	181.4
Processed fruit	131.8	130.9	136.0	138.5	138.8	140.0	140.0	138.3	138.4	138.2
Fresh Vegetables	154.4	142.2	152.7	163.5	172.7	175.4	149.8	146.9	148.1	153.8
Potatoes	144.6	156.2	130.9	131.7	132.1	135.6	136.7	141.0	155.9	164.7
Processed vegetables	128.5	128.7	129.2	129.0	128.6	128.6	128.8	129.0	129.2	130.2
Cereals & bakery products	145.8	146.5	148.9	149.3	149.7	150.8	150.7	151.6	152.4	153.1
Sugar & sweets	129.3	130.3	132.0	132.4	132.0	133.0	132.9	133.3	133.6	133.8
Beverages, nonalcoholic	114.1	112.8	114.9	116.0	115.3	114.4	114.5	115.0	113.9	114.1
Apparel										
Apparel, commodities less footwear	127.4	123.2	126.0	128.7	132.3	132.0	131.8	129.0	126.8	128.1
Footwear	120.9	120.2	121.3	122.4	124.6	125.6	126.0	125.4	124.4	124.9
Tobacco & smoking products	202.7	204.7	212.6	213.4	213.5	214.0	220.0	219.2	220.6	221.5
Beverages, alcoholic	142.8	143.8	144.8	145.7	146.7	147.2	147.4	147.5	147.7	147.6

1/ Beef, veal, lamb, pork, & processed meat. 2/ Includes butter. 3/ Excludes butter.

Information contact: Ann Duncan (202) 219-0313.

Table 7.—Producer Price Indexes, U.S. Average (Not Seasonally Adjusted)

	Annual			1991		1992				
	1989	1990	1991 P	July	Feb	Mar R	Apr	May	June	July
	1982 = 100									
All commodities	112.2	116.3	118.5	116.1	116.0	118.1	118.3	117.1	117.8	117.8
Finished goods 1/	113.8	119.2	121.7	121.6	122.1	122.2	122.2	123.1	123.7	123.7
All foods 2/	117.8	123.2	122.2	122.7	120.9	121.0	120.6	120.7	120.4	120.2
Consumer foods	118.7	124.4	124.1	124.5	123.4	123.3	122.9	122.9	123.0	122.9
Fresh fruit & melons	113.2	118.1	129.9	148.3	90.0	86.8	84.6	86.8	79.7	70.8
Fresh & dried vegetables	116.7	118.1	103.8	107.4	135.1	132.4	104.1	99.6	85.8	99.8
Dried fruit	103.0	108.7	111.5	111.9	115.0	114.9	114.4	115.1	114.3	113.9
Canned fruit & juice	122.7	127.0	128.6	128.8	136.4	138.6	135.9	136.5	136.3	136.3
Frozen fruit & juice	123.9	139.0	115.1	112.7	134.6	134.8	134.4	129.9	125.7	123.5
Fresh veg. excl. potatoes	103.9	107.8	100.2	102.0	154.7	147.9	99.7	90.9	81.1	85.5
Canned veg. & juices	118.6	116.7	112.8	114.0	109.7	109.3	108.6	109.8	109.8	109.5
Frozen vegetables	115.5	118.4	117.6	117.8	116.1	116.2	116.6	116.3	115.6	115.3
Potatoes	153.6	157.3	125.7	137.8	92.8	95.8	112.5	104.7	108.8	195.1
Eggs for fresh use	3/	3/	3/	3/	79.1	76.8	76.0	71.9	71.0	71.7
Bakery products	135.4	141.0	146.6	146.2	150.0	150.6	151.6	152.8	153.0	153.2
Meats	104.8	117.0	113.3	116.3	105.6	106.7	107.1	108.9	107.2	106.5
Beef & veal	108.9	116.0	112.1	111.9	110.0	111.0	111.9	112.1	108.0	106.4
Pork	97.7	119.8	113.0	122.1	94.5	96.2	95.6	100.9	101.7	102.5
Processed poultry	120.4	113.6	109.9	113.1	104.7	106.6	107.4	109.3	110.3	109.6
Fish	142.9	147.2	151.3	143.3	158.8	161.7	176.5	153.6	158.9	156.5
Dairy products	110.6	117.2	114.6	113.6	116.0	115.0	115.4	116.7	118.6	118.9
Processed fruits & vegetables	119.9	124.7	119.5	119.8	122.4	122.3	121.9	121.8	121.1	120.7
Shortening & cooking oil	116.6	123.2	118.4	111.2	113.4	115.9	113.6	115.1	117.5	115.0
Soft drinks	177.7	122.3	125.6	124.7	126.5	124.7	124.9	125.2	127.9	127.2
Consumer finished goods less foods	108.9	115.3	118.7	118.4	118.6	119.0	119.4	120.7	122.0	122.0
Beverages, alcoholic	115.2	117.2	123.7	123.9	126.1	126.3	126.4	126.7	128.3	127.0
Apparel	114.5	117.5	119.6	119.8	121.9	122.0	121.7	121.8	121.8	122.2
Footwear	120.8	125.8	128.6	129.2	131.6	131.4	131.6	131.6	132.0	131.8
Tobacco products	194.8	221.4	249.3	254.4	268.2	268.2	268.4	282.7	282.8	283.4
Intermediate materials 4/	112.0	114.5	114.4	114.0	113.5	113.6	113.8	114.4	115.3	115.3
Materials for food manufacturing	112.7	117.9	115.3	115.3	113.5	113.4	113.6	114.8	115.3	114.4
Flour	114.6	103.6	97.6	93.6	118.4	113.6	112.5	111.1	112.9	106.6
Refined sugar 5/	118.2	122.7	121.8	121.4	120.1	120.2	120.8	120.4	120.4	120.4
Crude vegetable oils	103.7	115.8	103.2	96.1	98.1	101.2	98.2	101.6	107.3	97.3
Crude materials 6/	103.1	108.9	101.2	99.5	98.6	97.9	98.9	101.0	101.5	101.3
Foodstuffs & feedstuffs	111.2	113.1	105.5	105.1	106.0	107.2	105.5	108.2	107.3	105.0
Fruits & vegetables & nuts 7/	114.6	117.5	114.5	124.8	108.9	104.6	92.2	91.4	83.0	85.2
Grains	108.4	97.4	92.0	84.3	108.2	106.5	102.7	103.5	105.7	95.0
Livestock	106.1	115.6	107.9	110.2	106.0	107.0	106.7	108.0	105.3	103.7
Poultry, live	128.6	118.8	111.2	119.2	102.6	105.4	102.8	116.1	110.2	124.1
Fibers, plant & animal	107.6	117.6	115.1	120.2	83.5	84.7	89.0	93.4	96.2	102.0
Fluid milk	98.8	100.6	69.3	88.1	93.8	91.3	90.5	93.8	97.3	99.7
Oilseeds	123.8	112.1	106.4	99.3	105.2	110.4	107.9	113.6	117.4	109.2
Tobacco, leaf	93.8	95.6	100.4	99.6	102.2	113.9	94.4	94.4	94.4	94.4
Sugar, raw cane	115.5	119.2	113.7	112.9	112.4	112.6	112.3	111.3	110.4	110.4

1/ Commodities ready for sale to ultimate consumer. 2/ Includes all raw, intermediate, & processed foods (excludes soft drinks, alcoholic beverages, & manufactured animal feeds). 3/ New index beginning Dec. 1991. 4/ Commodities requiring further processing to become finished goods. 5/ All types & sizes of refined sugar. 6/ Products entering market for the first time that have not been manufactured at that point. 7/ Fresh & dried. P = preliminary. R = revised

Information contact: Ann Duncan (202) 219-0313.

Farm-Retail Price Spreads

Table 8.—Farm-Retail Price Spreads

	Annual			1991		1992				
	1989	1990	1991	July	Feb	Mar	Apr	May	June	July
Market basket 1/										
Retail cost (1982-84=100)	124.8	133.5	137.4	137.7	138.0	138.9	139.0	137.8	137.6	137.2
Farm value (1982-84=100)	107.1	113.1	106.1	106.9	102.1	104.3	104.1	102.5	102.5	102.8
Farm-retail spread (1982-84=100)	134.1	144.5	154.2	154.2	157.2	157.5	157.7	156.8	156.4	155.8
Farm value-retail cost (%)	30.1	29.7	27.0	27.2	25.9	28.3	26.2	28.0	26.1	28.2
Meat products										
Retail cost (1982-84=100)	118.7	128.5	132.5	133.1	130.3	131.1	130.2	130.3	131.0	130.0
Farm value (1982-84=100)	103.8	118.8	110.0	112.8	101.3	104.7	105.7	107.5	107.8	107.2
Farm-retail spread (1982-84=100)	130.2	140.4	155.8	153.9	160.0	158.1	155.3	153.7	154.8	153.4
Farm value-retail cost (%)	44.9	48.0	42.0	42.9	39.4	40.5	41.1	41.8	41.7	41.8
Dairy products										
Retail cost (1982-84=100)	115.6	128.5	125.1	124.0	128.1	127.8	127.4	127.0	127.6	128.3
Farm value (1982-84=100)	99.1	101.7	90.0	87.8	95.4	93.0	91.5	93.9	95.0	95.0
Farm-retail spread (1982-84=100)	130.8	149.5	157.5	157.4	158.2	159.9	160.5	157.5	158.0	158.0
Farm value-retail cost (%)	41.1	38.5	34.5	34.0	35.7	34.9	34.5	35.5	35.7	35.5
Poultry										
Retail cost (1982-84=100)	132.7	132.5	131.5	132.5	128.1	128.2	129.2	128.1	130.7	132.1
Farm value (1982-84=100)	117.1	107.8	102.5	107.7	98.1	98.4	97.5	104.1	103.7	110.1
Farm-retail spread (1982-84=100)	150.8	181.1	184.9	181.0	162.6	162.5	165.7	157.9	181.7	157.4
Farm value-retail cost (%)	47.2	43.5	41.7	43.5	41.0	41.1	40.4	43.2	42.5	44.6
Eggs										
Retail cost (1982-84=100)	118.5	124.1	121.2	113.9	110.7	106.0	105.1	104.2	100.7	104.7
Farm value (1982-84=100)	107.5	108.0	100.9	96.6	74.4	72.9	73.7	87.0	69.9	68.6
Farm-retail spread (1982-84=100)	138.1	153.2	157.6	145.0	175.8	165.5	181.5	171.0	156.0	169.8
Farm value-retail cost (%)	58.3	55.9	53.5	54.5	43.2	44.2	45.1	41.3	44.6	42.1
Cereal & bakery products										
Retail cost (1982-84=100)	132.4	140.0	145.8	145.8	149.3	148.7	150.8	150.7	151.6	152.4
Farm value (1982-84=100)	101.7	90.5	85.3	80.8	104.2	99.8	99.0	99.6	96.5	91.4
Farm-retail spread (1982-84=100)	136.7	148.8	154.3	154.9	155.6	156.7	157.8	157.8	159.3	160.9
Farm value-retail cost (%)	8.4	7.9	7.2	6.8	8.5	8.2	8.0	8.1	7.6	7.3
Fresh fruits										
Retail cost (1982-84=100)	154.7	174.8	200.1	203.8	186.6	191.5	192.0	197.2	186.0	178.3
Farm value (1982-84=100)	108.5	128.3	174.4	174.6	125.2	117.2	114.5	118.3	121.4	118.2
Farm-retail spread (1982-84=100)	178.0	195.8	211.9	217.3	214.9	225.8	227.8	234.8	216.7	207.0
Farm value-retail cost (%)	22.2	23.2	27.5	27.1	21.2	18.3	18.8	18.6	20.4	20.8
Fresh vegetables										
Retail costs (1982-84=100)	143.1	151.1	154.4	157.7	163.5	172.7	175.4	149.6	146.9	148.1
Farm value (1982-84=100)	123.3	124.4	110.8	110.5	123.0	155.8	158.7	194.7	86.8	101.8
Farm-retail spread (1982-84=100)	153.2	164.9	176.8	182.0	184.3	181.4	185.0	177.8	176.9	171.9
Farm value-retail cost (%)	29.3	28.0	24.4	23.8	25.5	30.6	30.3	21.5	20.5	23.3
Processed fruits & vegetables										
Retail cost (1982-84=100)	125.0	132.7	130.2	129.9	134.3	134.2	135.0	135.0	134.1	134.2
Farm value (1982-84=100)	132.4	144.0	121.6	122.2	131.3	131.6	132.4	131.9	130.6	129.3
Farm-retail spread (1982-84=100)	122.7	129.1	132.9	132.3	135.2	135.0	135.8	136.0	135.2	135.7
Farm value-retail costs (%)	25.2	25.8	22.2	22.4	23.3	23.3	23.3	23.2	23.2	22.9
Fats & oils										
Retail cost (1982-84=100)	121.2	126.3	131.7	131.8	131.3	129.8	129.6	130.4	130.2	129.9
Farm value (1982-84=100)	95.6	107.1	98.0	94.1	89.2	96.7	81.5	96.9	99.4	89.2
Farm-retail spread (1982-84=100)	130.6	133.4	144.2	145.4	148.8	142.0	143.6	142.7	141.5	144.0
Farm value-retail cost (%)	21.2	22.8	20.0	19.2	18.3	20.0	19.0	20.0	20.5	18.5
	Annual			1991		1992				
	1989	1990	1991	Aug	Mar	Apr	May	June	July	Aug
Beef, Choice										
Retail price 2/ (cts./lb.)	265.7	281.0	288.3	285.4	285.8	287.8	285.8	287.1	283.8	280.1
Wholesale value 3/ (cts.)	178.6	189.6	182.5	172.2	183.3	182.6	183.4	180.8	173.6	175.8
Net farm value 4/ (cts.)	157.6	184.8	160.2	145.1	168.5	168.3	164.1	159.4	156.9	159.0
Farm-retail spread (cts.)	108.1	112.8	128.1	140.3	117.1	119.3	121.7	127.7	126.9	121.1
Wholesale-retail 5/ (cts.)	88.9	91.4	105.8	113.2	102.3	105.0	102.4	106.3	110.2	104.3
Farm-wholesale 6/ (cts.)	19.2	21.2	22.3	27.1	14.8	14.3	19.3	21.4	18.7	16.8
Farm value-retail price (%)	59	60	56	51	59	57	56	55	57	57
Pork										
Retail price 2/ (cts./lb.)	162.9	212.8	211.9	214.2	198.2	194.2	196.4	197.1	200.6	200.4
Wholesale value 3/ (cts.)	99.2	118.3	108.9	111.5	95.6	95.2	101.2	104.8	101.8	101.7
Net farm value 4/ (cts.)	70.4	87.2	78.4	81.2	62.4	66.4	73.3	76.1	72.2	71.6
Farm-retail spread (cts.)	112.5	125.4	133.5	133.0	135.8	127.8	123.1	121.0	128.4	128.8
Wholesale-retail 5/ (cts.)	83.7	94.3	103.0	102.7	102.8	99.0	95.2	92.3	98.6	98.7
Farm-wholesale 6/ (cts.)	28.8	31.1	30.5	30.3	33.2	28.8	27.9	28.7	29.6	30.1
Farm value-retail price (%)	38	41	37	38	31	34	37	39	36	36

1/ Retail costs are based on CPI-U of retail prices for domestically produced farm foods, published monthly by BLS. The farm value is the payment for the quantity of farm equivalent to the retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale & may include marketing charges such as grading & packing for some commodities. The farm-retail spread, the difference between the retail price & the farm value, represents charges for assembling, processing, transporting, distributing. 2/ Weighted average price of retail cuts from pork & choice yield grade 3 beef. Prices from BLS. 3/ Value of wholesale (boxed beef) & wholesale cuts (pork) equivalent to 1 lb. of retail cuts adjusted for transportation costs & byproduct values. 4/ Market value to producer for live animal equivalent to 1 lb. of retail cuts, minus value of byproducts. 5/ Charges for retailing & other marketing services such as wholesaling, and in-city transportation. 6/ Charges for livestock marketing, processing, & transportation.

Information contacts: Denis Dunham (202) 219-0870, Larry Duewer (202) 219-0712

Table 9.—Price Indexes of Food Marketing Costs

(See the September 1992 issue.)
 Information contact: Denis Dunham (202) 219-0870.

Livestock & Products

Table 10.—U.S. Meat Supply & Use

	Bag stocks	Production 1/	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price 3/
							Total	Per capita 2/	
Million pounds 4/									
Beef							Pounds		
1989	422	23,087	2,179	25,688	1,023	335	24,330	69.3	73.86
1990	335	22,743	2,358	25,434	1,006	397	24,031	57.8	78.56
1991	397	22,917	2,406	25,720	1,188	419	24,113	67.3	74.28
1992 F	419	23,160	2,390	25,969	1,335	325	24,309	67.4	74.76
Pork							Pounds		
1989	437	15,813	896	17,148	262	313	16,571	52.0	44.03
1990	313	15,354	898	15,565	239	296	16,030	49.8	54.45
1991	296	15,999	775	17,070	283	393	16,394	50.4	48.88
1992 F	393	17,228	865	18,288	390	390	17,506	53.4	41-43
Veal 5/							Pounds		
1989	5	355	0	360	0	4	356	1.2	91.84
1990	4	327	0	331	0	6	325	1.1	96.51
1991	6	306	0	312	0	7	305	1.0	99.05
1992 F	7	310	0	317	0	5	312	1.0	89-91
Lamb & mutton							Pounds		
1989	6	347	63	418	2	3	406	1.5	67.32
1990	8	363	59	430	3	8	419	1.5	55.54
1991	8	363	60	431	3	8	422	1.5	53.21
1992 F	8	355	66	427	3	9	415	1.5	60-62
Total red meat							Pounds		
1989	870	39,802	3,137	43,610	1,287	680	41,863	124.0	—
1990	880	38,787	3,313	42,760	1,248	707	40,805	120.1	—
1991	707	39,585	3,241	43,533	1,474	825	41,234	120.2	—
1992 F	825	41,053	3,121	44,999	1,728	729	42,542	123.2	—
Broilers							Pounds		
1989	36	17,227	0	17,263	814	38	16,411	58.7	59.0
1990	38	18,430	0	18,488	1,143	26	17,299	61.1	54.8
1991	26	19,591	0	19,817	1,261	36	18,320	64.0	52.0
1992 F	36	20,677	0	20,713	1,320	35	19,357	67.1	50-52
Mature chicken							Pounds		
1989	157	531	0	688	24	189	475	1.9	—
1990	189	523	0	713	25	224	464	1.9	—
1991	224	508	0	732	28	274	429	1.7	—
1992 F	274	525	0	800	30	300	470	1.8	—
Turkeys							Pounds		
1989	250	4,136	0	4,385	41	238	4,109	16.8	66.7
1990	236	4,514	0	4,750	54	306	4,390	17.6	63.2
1991	306	4,803	0	4,909	103	264	4,541	18.0	61.3
1992 F	264	4,732	0	4,996	140	320	4,537	17.8	58-60
Total poultry							Pounds		
1989	442	21,894	0	22,336	878	463	20,994	77.2	—
1990	463	23,468	0	23,931	1,222	557	22,152	80.5	—
1991	557	24,701	0	25,258	1,392	575	23,291	83.7	—
1992 F	575	25,934	0	26,509	1,490	655	24,364	86.8	—
Red meat & poultry							Pounds		
1989	1,312	61,496	3,137	65,945	2,165	1,123	62,857	201.2	—
1990	1,123	62,255	3,313	66,001	2,469	1,264	62,958	200.6	—
1991	1,264	64,286	3,241	68,791	2,867	1,400	64,525	203.9	—
1992 F	1,400	66,987	3,121	71,508	3,218	1,384	66,905	210.0	—

1/ Total including farm production for red meats & federally inspected plus nonfederally inspected for poultry. 2/ Retail weight basis. (The beef carcass-to-retail conversion factor was 70.5). 3/ Dollars per cwt for red meat; cents per pound for poultry. Beef, Medium #1, Nebraska Direct 1,100-1,300 lb.; pork, barrows & gilts, 6 markets; veal: farm price of calves; lamb & mutton: Choice slaughter lambs, San Angelo; broilers: wholesale 12-city average; turkeys: wholesale NY 8-16 lb. young hens. 4/ Carcass weight for red meats & certified ready-to-cook for poultry. 5/ Beginning 1989 veal trade no longer reported separately. F = forecast. — = not available.

Information contacts: Polly Cochran, or Maxine Davis (202) 219-0787.

Table 11.—U.S. Egg Supply & Use

	Beg. stocks	Pro- duc- tion	Im- ports	Total supply	Ex- ports	Hatch- ing use	Ending stocks	Consumption		
								Total	Per capita	Wholesale price*
								No.	Cts./doz.	
Million dozen										
1987	10.4	5,868.2	5.6	5,884.2	111.2	599.1	14.4	5,189.5	254.9	61.6
1988	14.4	5,784.2	5.3	5,803.9	141.8	605.9	15.2	5,041.0	246.9	62.1
1989	15.2	5,598.2	25.2	5,638.5	91.6	643.9	10.7	4,892.4	237.3	61.9
1990	10.7	5,665.3	9.1	5,685.0	100.5	678.5	11.6	4,894.4	235.0	62.2
1991	11.6	5,757.8	2.3	5,771.8	154.3	708.1	13.0	4,896.4	232.7	77.5
1992 F	13.0	5,853.6	3.4	5,870.0	153.6	727.6	14.0	4,974.8	234.7	65-87

* Cartoned grade A large eggs, New York. F = forecast.

Information contact: Maxine Davis (202) 219-0767

Table 12.—U.S. Milk Supply & Use^{1/}

Production	Farm use	Commercial			Total commer- cial supply	CCC net re- movals	Commercial		CCC net removals			
		Farm market- ings	Beg. stock	Im- ports			Ending stocks	Disap- pear- ance	All milk price 1/	Skim solids basis	Total solids basis 2/	
		Billion pounds (milkfat basis)							\$/cwt	Billion pounds		
1985	143.0	2.5	140.6	4.8	2.8	148.2	13.3	4.5	130.4	12.76	17.2	15.6
1986	143.1	2.4	140.7	4.5	2.7	147.9	10.8	4.1	133.0	12.51	14.3	12.9
1987	142.7	2.3	140.5	4.1	2.5	147.1	6.8	4.8	135.7	12.54	9.3	8.3
1988	145.2	2.2	142.9	4.6	2.4	149.9	9.1	4.3	138.5	12.28	5.5	8.8
1989	144.2	2.1	142.2	4.3	2.5	149.0	9.4	4.1	135.5	13.56	0.4	4.0
1990	148.3	2.0	146.3	4.1	2.7	153.1	9.0	5.1	139.0	13.73	1.6	4.6
1991	148.5	2.0	146.5	5.1	2.6	154.3	10.5	4.5	139.3	12.23	4.0	8.8
1992 F	151.4	2.0	149.4	4.5	2.8	156.5	9.4	4.3	142.5	13.30	1.6	4.8

1/ Delivered to plants & dealers; does not reflect deductions. 2/ Arbitrarily weighted average of milkfat basis (40 percent) & skim solids basis (60 percent). F = forecast.

Information contact: Jim Miller (202) 219-0770.

Table 13.—Poultry & Eggs

		Annual			July	1991			1992		
		1989	1990	1991		Feb	Mar	Apr	May	June	July
Broilers											
Federally inspected slaughter, certified (mil. lb.)		17,334.2	18,553.0	19,727.7	1,721.3	1,580.2	1,760.5	1,729.7	1,740.3	1,824.7	1,820.6
Wholesale price, 12-city (cts./lb.)		59.0	54.8	52.0	54.3	50.3	50.2	49.5	55.1	52.4	56.0
Price of grower feed (\$/ton)		237	218	207	202	206	205	210	211	211	
Broiler-feed price ratio 1/		3.0	3.0	3.0	3.2	2.9	2.9	2.8	3.0	3.0	3.2
Stocks beginning of period (mil. lb.)		35.9	38.3	28.1	44.5	39.3	36.4	31.8	35.4	31.8	33.7
Broiler-type chicks hatched (mil.) 2/		5,948.0	6,324.4	6,613.3	565.3	531.3	585.9	572.4	595.8	583.4	584.1
Turkeys											
Federally inspected slaughter, certified (mil. lb.)		4,174.8	4,560.9	4,651.0	402.2	331.7	361.3	385.2	374.2	434.7	450.0
Wholesale price, Eastern U.S., 8-16 lb. young hens (cts./lb.)		86.7	63.2	61.2	63.4	55.0	58.8	60.0	60.0	59.5	57.0
Price of turkey grower feed (\$/ton)		251.0	238	230	223	235	239	237	243	241	248
Turkey-feed price ratio 1/		3.2	3.2	3.3	3.5	3.0	3.1	3.1	3.1	3.1	3.1
Stocks beginning of period (mil. lb.)		249.7	235.9	306.4	503.1	325.5	354.1	393.3	430.2	486.8	580.1
Poults placed in U.S. (mil.)		290.7	304.0	308.0	28.8	25.5	27.8	28.2	28.6	28.8	29.3
Eggs											
Farm Production (mil.)		67,178	67,983	69,094	5,814	6,640	6,023	5,819	5,907	5,687	5,903
Average number of layers (mil.)		269	270	274	272	278	278	277	276	275	274
Rate of lay (eggs per layer on farms)		249.5	251.7	252.4	21.4	19.0	21.7	21.0	21.4	20.7	21.5
Cartoned price, New York, grade A large (cts./doz.) 3/		81.9	82.2	77.5	79.6	61.7	63.1	65.0	58.8	62.0	58.6
Price of laying feed (\$/ton)		209	200	192	187	201	201	198	199	200	201
Egg-feed price ratio 1/		6.7	7.0	6.9	6.9	5.4	5.4	5.5	5.2	5.3	6.2
Stocks, first of month											
Shell (mil. doz.)		0.27	0.36	0.45	0.39	0.80	0.75	0.84	0.81	1.02	1.09
Frozen (mil. doz.)		14.0	10.3	11.2	10.8	15.2	14.6	15.0	14.3	14.4	16.1
Replacement chicks hatched (mil.)		383	398	417	33.6	31.9	36.3	35.8	38.3	34.3	32.0

1/ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. 2/ Placement of broiler chicks is currently reported for 15 States only; henceforth, hatch of broiler-type chicks will be used as a substitute. 3/ Price of cartoned eggs to volume buyers for delivery to retailers.

Information contact: Maxine Davis (202) 219-0767.

Table 14.—Dairy

	Annual			1991				1992			
	1989	1990	1991	July	Feb	Mar	Apr	May	June	July	
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/	12.37	12.21	11.05	10.99	11.21	10.98	11.46	12.06	12.46	12.59	
Wholesale prices											
Butter, grade A Chi. (cts./lb.)	127.0	102.1	99.3	98.9	86.2	86.2	86.2	83.8	76.5	76.6	
Am. cheese, Wis. assembly pt. (cts./lb.)	138.8	136.7	124.4	128.4	119.0	119.8	131.9	139.9	141.3	141.8	
Nonfat dry milk (cts./lb.) 2/	105.6	100.6	94.0	92.2	97.6	101.8	105.9	9/ 110.2	116.7	115.0	
USDA net removals 3/											
Total milk equiv. (mil. lb.) 4/	9,418.9	8,017.2	10,429.3	340.2	1,393.5	1,266.8	1,059.4	1,317.5	529.5	583.0	
Butter (mil. lb.)	413.4	400.3	442.8	15.8	63.5	58.0	46.7	58.6	22.5	25.7	
Am. cheese (mil. lb.)	37.4	21.5	76.9	-0.5	0.8	8/	2.2	0	0.2	0.3	
Nonfat dry milk (mil. lb.)	0	117.8	268.4	-0.5	13.1	8.2	8.6	10.1	5.5	5.4	
Milk											
Milk prod. 21 States (mil. lb.)	122,509	125,772	125,683	10,472	10,230	11,092	10,886	11,258	10,888	10,839	
Milk per cow (lb.)	14,369	14,778	14,977	1,254	1,237	1,343	1,316	1,363	1,318	1,324	
Number of milk cows (1,000)	8,526	8,512	8,392	8,353	8,273	8,262	8,254	8,282	8,280	8,259	
U.S. milk production (mil. lb.)	144,239	148,314	148,526	7/ 12,348	7/ 12,132	7/ 13,155	7/ 12,872	7/ 13,337	7/ 12,874	7/ 12,897	
Stock, beginning											
Total (mil. lb.)	8,379	9,036	13,359	19,481	16,731	18,392	19,069	20,050	20,703	21,469	
Commercial (mil. lb.)	4,256	4,120	5,146	6,151	4,936	5,063	4,920	4,955	5,075	5,104	
Government (mil. lb.)	4,122	4,916	8,213	13,330	11,795	13,329	14,143	15,095	15,628	16,384	
Imports, total (mil. lb.)	2,499	2,690	2,610	284	142	178	211	216	215	—	
Commercial disappearance (mil. lb.)	135,370	138,922	139,384	12,150	10,594	12,031	11,827	11,944	12,382	—	
Butter											
Production (mil. lb.)	1,295.4	1,302.2	1,338.3	86.4	132.0	129.9	119.7	118.2	103.2	96.8	
Stocks, beginning (mil. lb.)	214.7	258.2	418.1	662.7	568.6	830.3	855.7	701.7	734.1	766.2	
Commercial disappearance (mil. lb.)	876.0	915.2	903.0	70.0	87.4	78.7	72.8	81.4	82.5	—	
American cheese											
Production (mil. lb.)	2,674.1	2,894.2	2,804.9	228.8	231.3	246.4	244.9	261.8	259.7	259.3	
Stocks, beginning (mil. lb.)	293.0	236.2	347.4	415.0	340.4	349.8	338.5	338.4	349.0	345.1	
Commercial disappearance (mil. lb.)	2,683.1	2,784.4	2,792.7	244.2	221.4	261.2	244.3	252.7	263.7	—	
Other cheese											
Production (mil. lb.)	2,941.3	3,167.0	3,285.9	270.8	285.8	296.3	289.8	289.1	288.3	286.7	
Stocks, beginning (mil. lb.)	104.7	93.2	110.6	107.7	100.0	97.9	113.5	115.0	115.6	121.8	
Commercial disappearance (mil. lb.)	3,208.0	3,428.4	3,574.0	284.3	282.6	298.1	308.4	310.5	305.9	—	
Nonfat dry milk											
Production (mil. lb.)	874.7	879.2	877.5	66.9	78.1	82.8	82.2	89.2	81.3	76.0	
Stocks, beginning (mil. lb.)	53.1	49.5	161.9	342.8	190.0	153.1	127.5	138.7	137.5	149.5	
Commercial disappearance (mil. lb.)	873.0	697.6	663.8	65.1	61.3	76.8	70.0	69.1	53.8	—	
Frozen dessert											
Production (mil. gal.) 5/	1,214.0	1,174.6	1,196.1	124.8	87.8	108.9	111.7	118.5	127.0	125.4	
	Annual			1990				1991			
	1989	1990	1991	IV	I	II	III	IV	I P	II P	
Milk production (mil. lb.)	144,239	148,314	148,525	36,301	37,425	38,633	36,255	36,212	37,958	39,083	
Milk per cow (lb.)	14,244	14,646	14,867	3,577	3,705	3,864	3,647	3,651	3,850	3,867	
No. of milk cows (1,000)	10,126	10,127	9,990	10,151	10,101	9,899	9,940	9,918	9,858	9,851	
Milk-feed price ratio 6/	1.55	1.71	1.58	1.57	1.49	1.47	1.59	1.77	1.68	1.65	
Returns over concentrate costs (\$/cwt milk)	10.18	10.39	9.00	9.03	8.25	8.05	9.25	10.45	9.60	9.50	

1/ Manufacturing grade milk. 2/ Prices paid f.o.b. Central States production area. 3/ Includes products exported through the Dairy Export Incentive Program (DEIP). 4/ Milk equivalent, fat basis. 5/ Hard ice cream, ice milk, & hard sherbet. 6/ Based on average milk price after adjustment for price support deductions.

7/ Estimated. 8/ Less than 50,000 pounds. 9/ Entire period not available. Average of weeks reported. P = preliminary. — = not available.

Information contact: LaVerne T. Williams (202) 219-0770.

Table 15.—Wool

	Annual			1991				1992		
	1989	1990	1991	I	II	III	IV	I P	II P	
U.S. wool price, (cts./lb.) 1/	370	256	199	197	200	217	182	209	222	
Imported wool price, (cts./lb.) 2/	354	287	187	235	199	194	222	250	233	
U.S. mill consumption, scoured										
Apparel wool (1,000 lb.)	120,534	120,622	143,519	31,582	37,111	34,578	33,916	36,929	35,909	
Carpet wool (1,000 lb.)	14,122	12,124	14,363	3,085	3,118	4,561	3,588	4,580	4,326	

1/ Wool price delivered at U.S. mills, clean basis. Graded Territory 84's (20.60-22.04 microns) staple 2-3/4" & up. 2/ Wool price, Charleston, SC warehouse, clean basis. Australian 60/62's, type 84A (24 micron). Duty since 1982 has been 10.0 cents. — = not available.

Information contact: John Lawler (202) 219-0840.

Table 16.—Meat Animals

	Annual			1991		1992				
	1989	1990	1991	July	Feb	Mar	Apr	May	June	July
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,045	8,378	8,992	7,877	8,203	8,155	8,008	7,818	7,826	7,337
Placed on feed (1,000 head)	20,834	21,030	19,708	1,327	1,492	1,506	1,425	1,724	1,339	1,432
Marketings (1,000 head)	19,422	19,198	19,068	1,724	1,420	1,538	1,490	1,594	1,712	1,684
Other disappearance (1,000 head)	1,079	1,218	1,230	91	120	117	125	122	116	85
Beef steer-corn price ratio, Omaha 2/	30.3	32.8	31.8	31.3	31.0	30.4	31.6	30.8	29.4	32.2
Hog-corn price ratio, Omaha 2/	18.4	23.1	21.1	24.2	16.7	15.5	17.2	18.7	18.7	20.0
Market prices (\$/cwt)										
Slaughter cattle										
Choice steers, Omaha 1,000-1,100 lb.	72.52	77.40	73.83	72.08	75.71	76.58	76.93	76.31	74.15	73.05
Choice steers, Nab. Direct, 1,100-1,300 lb.	73.86	78.58	74.28	72.15	76.75	78.02	77.61	78.18	74.02	73.23
Boning utility cows, Sioux Falls	48.98	63.60	50.31	52.41	45.25	45.94	44.92	45.63	43.47	44.78
Feeder cattle										
Medium no. 1, Oklahoma City 600-700 lb.	66.66	92.16	92.74	95.81	83.95	84.80	84.57	84.99	85.19	87.46
Slaughter hogs										
Barrows & gilts, 6-markets	44.03	54.45	48.88	55.22	40.31	38.82	41.58	45.58	47.38	44.79
Feeder pigs										
S. Mo. 40-50 lb. (per head)	33.63	51.46	39.84	40.98	36.72	37.57	37.67	32.10	27.50	26.20
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	67.32	55.54	52.73	55.50	57.88	67.20	74.63	68.88	84.50	58.17
Ewes, Good, San Angelo	38.58	35.21	31.98	34.63	40.88	42.60	35.00	31.63	29.44	33.57
Feeder lambs										
Choice, San Angelo	79.85	62.95	53.27	61.81	66.00	68.75	70.58	64.69	61.22	66.43
Wholesale meat prices, Midwest										
Boxed beef cut-out value	114.78	123.21	118.31	115.82	119.65	119.14	118.68	119.18	117.53	112.79
Canner & cutter cow beef	94.43	99.96	99.44	101.89	95.60	96.49	94.16	95.31	93.14	94.29
Pork loins, 14-18 lb. 3/	101.09	117.52	108.39	121.73	99.13	94.10	98.65	108.94	113.94	108.22
Pork bellies, 12-14 lb.	34.14	53.80	47.79	50.40	29.44	28.01	26.93	34.09	32.78	32.77
Hams, skinned, 14-17 lb.	89.39	87.70	81.80	—	—	—	—	—	—	—
All fresh beef retail price 4/	238.97	254.99	262.12	263.39	257.08	259.34	260.32	259.28	257.47	257.09
Commercial slaughter (1,000 head) 5/										
Cattle	33,918	33,241	32,690	2,844	2,439	2,686	2,587	2,745	2,923	2,860
Steers	18,539	18,587	16,732	1,515	1,255	1,369	1,365	1,473	1,814	1,571
Heifers	10,406	10,090	9,719	864	690	759	713	772	800	796
Cows	8,316	5,920	5,623	415	449	486	458	445	451	435
Bulls & stags	657	644	614	51	45	52	51	55	58	58
Calves	2,172	1,789	1,436	110	113	122	111	106	108	109
Sheep & lambs	6,466	5,654	5,722	450	436	497	528	388	438	444
Hogs	88,691	85,138	88,169	8,736	7,330	8,121	7,782	7,061	7,345	7,639
Commercial production (mil. lb.)										
Beef	22,974	22,634	22,800	1,996	1,707	1,849	1,786	1,899	2,038	2,015
Veal	344	318	296	22	25	27	25	25	25	24
Lamb & mutton	341	358	353	28	28	32	33	25	27	27
Pork	15,759	15,300	15,948	1,207	1,329	1,467	1,414	1,287	1,332	1,374

	Annual			1991				1992		
	1989	1990	1991	I	II	III	IV	I	II	III
Cattle on feed (13 States)										
Number on feed (1,000 head) 1/	9,688	9,943	10,827	10,827	10,739	9,461	8,620	10,135	9,693	8,847
Placed on feed (1,000 head)	24,469	24,803	23,208	6,792	5,006	5,414	7,088	6,403	5,273	—
Marketings (1,000 head)	22,940	22,526	22,383	6,328	6,820	5,973	5,262	5,441	5,675	5,720
Other disappearance (1,000 head)	1,274	1,383	1,517	462	464	282	309	404	444	—
Hogs & pigs (10 States) 6/										
Inventory (1,000 head) 1/	43,210	42,200	42,900	42,900	41,990	44,520	46,900	45,735	44,770	47,225
Breeding (1,000 head) 1/	5,335	5,275	5,257	5,257	5,450	5,720	5,875	5,610	5,550	5,840
Market (1,000 head) 1/	37,875	36,925	37,643	37,643	36,540	38,800	41,225	40,125	39,220	41,385
Farrowings (1,000 head)	9,203	8,960	9,479	2,129	2,586	2,441	2,348	2,289	2,655	*2,482
Pig crop (1,000 head)	71,807	70,589	75,035	16,770	20,632	19,278	18,551	18,475	21,504	—

1/ Beginning of period. 2/ Bushels of corn equal in value to 100 pounds live weight. 3/ Prior to 1984, 8-14 lb.; 1984 & 1985, 14-17 lb; beginning 1986, 14-18 lb. 4/ New series estimating the composite price of all beef grades & ground beef sold by retail stores. This new series is in addition to, but does not replace, the series for the retail price of Choice beef that appears in table 8. 5/ Classes estimated. 6/ Quarters are Dec. of preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), & Sept.-Nov. (IV). May not add to NASS totals due to rounding. — = not available. *Intention.

Information contact: Polly Cochran (202) 219-0767.

Crops & Products

Table 17.—Supply & Utilization^{1,2}

	Area				Production	Total supply ^{4/}	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ^{5/}
	Set aside ^{3/}	Planted	Harvested	Yield								
		Mil. acres	Bu./acre	Mil. bu.								
Wheat												
1987/88	23.9	65.8	55.9	37.7	2,108	3,945	290	806	1,588	2,684	1,261	2.57
1988/89	22.5	65.5	53.2	34.1	1,812	3,096	146	829	1,419	2,394	702	3.72
1989/90	9.6	76.6	62.2	32.7	2,037	2,762	143	849	1,233	2,225	536	3.72
1990/91 [*]	7.5	77.2	69.3	39.5	2,736	3,309	500	875	1,068	2,443	866	2.61
1991/92 [*]	15.9	69.0	57.7	34.3	1,981	2,888	256	879	1,281	2,416	472	3.00
1992/93 [*]	7.0	72.3	63.1	38.2	2,407	2,922	175	898	1,175	2,248	674	2.95-3.25
Rice												
1987/88	1.57	2.36	2.33	5,555	129.6	184.0	—	6/ 80.4	72.2	152.6	31.4	7.27
1988/89	1.09	2.93	2.90	5,514	159.9	195.1	—	6/ 82.4	85.9	188.4	26.7	6.83
1989/90	1.18	2.73	2.80	5,749	154.5	185.6	—	6/ 82.1	77.2	159.3	26.3	7.35
1990/91 [*]	1.02	2.90	2.82	5,520	166.1	187.2	—	6/ 91.7	70.9	182.7	24.8	6.70
1991/92 [*]	0.9	2.86	2.75	5,617	164.5	184.2	—	6/ 92.0	85.0	157.0	27.3	7.60-7.55
1992/93 [*]	0.4	3.03	2.97	6,524	184.0	198.7	—	6/ 93.1	74.0	187.1	29.8	6.60-7.60
Corn												
1987/88	23.1	66.2	59.6	119.8	7,131	12,016	4,798	1,243	1,716	7,757	4,259	1.94
1988/89	20.5	67.7	58.3	84.6	4,929	9,191	3,841	1,293	2,028	7,280	1,930	2.54
1989/90	10.8	72.2	64.7	118.3	7,525	9,458	4,389	1,356	2,388	8,113	1,344	2.35
1990/91 [*]	10.7	74.2	67.0	118.5	7,934	9,282	4,669	1,387	1,725	7,781	1,521	2.28
1991/92 [*]	7.4	76.0	68.8	108.6	7,474	9,016	4,900	1,445	1,590	7,935	1,081	2.37
1992/93 [*]	5.3	79.3	72.2	121.4	8,770	9,861	5,000	1,485	1,650	8,035	1,828	1.85-2.25
Sorghum												
1987/88	4.1	11.6	10.5	69.4	731	1,474	555	25	232	812	663	1.70
1988/89	3.9	10.3	9.0	63.8	577	1,239	466	22	312	800	440	2.27
1989/90	3.3	12.6	11.1	55.4	615	1,055	518	15	303	835	220	2.10
1990/91 [*]	3.3	10.5	9.1	63.1	573	793	410	9	232	651	143	2.12
1991/92 [*]	2.5	11.0	9.8	59.0	579	722	345	9	290	844	78	2.25
1992/93 [*]	1.9	13.5	12.3	88.7	847	925	475	10	300	785	140	1.75-2.15
Barley												
1987/88	2.9	10.9	10.0	52.4	521	869	253	174	121	548	321	1.81
1988/89	2.8	9.8	7.6	38.0	290	622	171	175	79	425	196	2.80
1989/90	2.3	9.1	8.3	48.8	404	614	193	175	84	453	161	2.42
1990/91 [*]	2.9	8.2	7.6	56.1	422	598	205	176	81	461	135	2.14
1991/92 [*]	2.2	8.8	8.4	55.2	464	624	229	171	95	494	130	2.10
1992/93 [*]	2.1	7.8	7.3	58.9	429	579	170	170	110	450	129	1.95-2.25
Oats												
1987/88	0.8	17.9	6.9	54.3	374	552	358	81	1	440	112	1.56
1988/89	0.3	13.9	5.5	39.3	218	393	194	100	1	284	88	2.61
1989/90	0.4	12.1	6.9	54.3	374	538	268	115	1	381	157	1.49
1990/91 [*]	0.2	10.4	5.9	60.1	358	578	288	120	1	407	171	1.14
1991/92 [*]	0.6	8.7	4.8	50.6	243	489	235	125	2	362	127	1.20
1992/93 [*]	0.7	8.0	4.8	57.6	276	443	205	130	1	336	107	1.25-1.55
Soybeans												
1987/88	0	58.2	57.2	33.8	1,938	2,375	7/ 97	1,174	802	2,073	302	5.88
1988/89	0	58.8	57.4	27.0	1,549	1,855	7/ 88	1,058	527	1,673	182	7.42
1989/90	0	60.8	59.5	32.3	1,924	2,108	7/ 100	1,146	623	1,869	239	5.89
1990/91 [*]	0	57.8	56.5	34.1	1,926	2,168	7/ 95	1,187	557	1,839	329	5.74
1991/92 [*]	0	59.1	58.0	34.3	1,986	2,320	7/ 95	1,250	690	2,035	285	5.60
1992/93 [*]	0	58.1	58.1	35.9	2,085	2,375	7/ 95	1,255	710	2,050	315	5.10-5.70
Soybean oil												
1987/88	—	—	—	—	12,974	14,895	—	10,930	1,873	12,803	2,092	22.87
1988/89	—	—	—	—	11,737	13,967	—	10,591	1,661	12,252	1,715	21.10
1989/90	—	—	—	—	13,004	14,741	—	12,083	1,353	13,436	1,305	22.30
1990/91 [*]	—	—	—	—	13,408	14,730	—	12,184	780	12,944	1,786	21.00
1991/92 [*]	—	—	—	—	14,210	16,000	—	12,200	1,450	13,850	2,350	19.00
1992/93 [*]	—	—	—	—	14,245	16,600	—	12,500	1,800	14,100	2,500	17.0-20.0
Soybean meal												
1987/88	—	—	—	—	28,080	26,300	—	21,293	6,854	28,147	153	222
1988/89	—	—	—	—	24,843	25,100	—	19,657	5,270	24,927	173	233
1989/90	—	—	—	—	27,719	27,900	—	22,263	5,319	27,582	318	174
1990/91 [*]	—	—	—	—	28,325	28,668	—	22,912	5,489	28,381	285	170
1991/92 [*]	—	—	—	—	29,580	29,920	—	22,900	6,750	29,850	270	175
1992/93 [*]	—	—	—	—	29,725	30,020	—	23,500	6,250	29,750	270	160-180

See footnotes at end of table.

Table 17.—Supply & Utilization, continued

Area				Production	Total supply ^{4/}	Feed and residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price ^{5/}
Set Aside ^{3/}	Planted	Harvested	Yield								
Cotton 10/											
1987/88	6.0	10.4	10.0	706	14.8	19.8	—	7.6	8.8	14.2	5.8
1988/89	2.2	12.5	11.9	619	15.4	21.2	—	7.8	6.1	13.9	7.1
1989/90	3.5	10.6	9.5	614	12.2	19.3	—	8.8	7.7	18.5	3.0
1990/91*	2.0	12.3	11.7	634	15.5	18.5	—	8.7	7.8	18.5	2.3
1991/92*	1.2	14.1	13.0	652	17.6	20.0	—	9.6	6.7	16.3	3.8
1992/93*	1.8	13.4	11.2	683	18.0	19.8	—	9.7	6.3	16.0	3.8

*September 10, 1992 Supply & Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, & oats, August 1 for cotton & rice, September 1 for soybeans, corn, & sorghum. October 1 for soymeal & soyoil. 2/ Conversion factors: Hectares (ha.) = 2.471 acre, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.8296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt of rice, & 4.59 480-pound bales of cotton. 3/ Includes diversion, acreage reduction, 50-92, & 0-92 programs. 0/92 & 50/92 set-aside includes idled acreage & acreage planted to minor oilseeds. Data for 1992/93 are preliminary. 4/ Includes imports. 6/ Marketing-year weighted average price received by farmers. Does not include an allowance for loans outstanding & Government purchases. 8/ Residual included in domestic use. 7/ Includes seed. 9/ Simple average of crude soybean oil, Decatur. 10/ Upland & extra long staple. Stock estimates based on Census Bureau data, resulting in an unaccounted difference between supply & use estimates & changes in ending stocks. 11/ Weighted average for August-March; not a projection for the marketing year. — = not available or not applicable.

Information contact: Commodity Economics Division, Crops Branch (202) 219-0840.

Table 18.—Cash Prices, Selected U.S. Commodities

	Marketing year 1/				1991		1992			
	1997/88	1988/89	1989/90	1990/91	July	Mar	Apr	May	June	July
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	2.96	4.17	4.22	2.94	2.91	4.33	4.02	3.90	3.91	3.52
Wheat, D.N.S., Minneapolis (\$/bu.) 3/	3.15	4.36	4.16	3.06	2.94	4.38	4.28	4.44	4.42	4.04
Rice, S. W. Lb. (\$/cwt) 4/	19.25	14.85	15.56	15.25	16.96	16.60	16.45	15.70	15.10	15.20
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.14	2.68	2.54	2.40	2.40	2.72	2.58	2.60	2.59	2.37
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	3.40	4.17	4.21	4.08	4.05	4.78	4.41	4.54	4.51	4.05
Barley, feed, Duluth (\$/bu.) 5/	1.78	2.32	2.20	2.13	1.89	2.30	2.35	2.38	2.30	2.16
Barley, malting, Minneapolis (\$/bu.)	2.04	4.11	3.28	2.42	2.14	2.50	2.50	NQ	3.95	2.59
U.S. price, SLM, 1-1/16 in. (cts/lb.) 6/	63.1	57.7	69.8	74.8	71.3	52.0	55.0	55.5	58.8	60.9
Northern Europe prices Index (cts/lb.) 7/	72.3	66.4	82.3	82.8	80.7	55.3	58.2	61.0	64.4	65.2
U.S. M 1-3/32 in. (cts/lb.) 8/	76.3	69.2	83.6	88.2	NQ	59.8	62.7	63.6	67.7	71.3
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	8.67	7.41	5.86	5.76	5.39	5.86	5.73	5.99	6.08	6.65
Soybean oil, crude, Decatur (cts/lb.)	22.70	21.10	22.30	21.00	19.05	19.74	19.00	20.23	20.71	18.82
Soybean meal, 44% Protein, Decatur (\$/ton)	221.00	233.50	173.75	169.76	169.70	174.20	174.80	172.40	181.70	173.90

1/ Beginning June 1 for wheat & barley; Aug. 1 for rice & cotton; Sept. 1 for corn, sorghum & soybeans; Oct. 1 for soymeal & oil. 2/ Ordinary protein. 3/ 14% protein.
4/ Long grain, milled basis. 5/ Beginning Mar. 1987 reporting point changed from Minneapolis to Duluth. 6/ Average spot market. 7/ Liverpool Cotlook "A" Index;
average of five lowest prices of 13 selected growths. 8/ Memphis territory growths. NQ = no quotation.

Information contacts: Wheat & feed grains, Joy Harwood (202) 219-0840; Cotton, Lee Meyer (202) 219-0840; Soybeans, Brenda Toland, (202) 219-0840.

Table 19.—Farm Programs, Price Supports, Participation & Payment Rates

	Target price	Basic loan rate	Findley or announced loan rate 1/	Payment rates				Effective base acres 2/	Program 3/	Participation rate 4/	
				Paid land diversion							
				Total deficiency	Mandatory	Optional	Mill. acres	Percent of base	Percent of base		
\$/bu.											
Wheat											
1987/88	4.38	2.85	2.28	1.81	—	—	87.6	27.5/0/0	88		
1988/89	4.23	2.79	2.21	0.69	—	—	84.8	27.5/0/0	86		
1989/90	4.10	2.58	2.06	0.32	—	—	82.3	10/0/0	78		
1990/91 6/	4.00	2.44	1.95	1.28	—	—	80.5	7/ 5/0/0	83		
1991/92	4.00	2.52	2.04	1.35	—	—	79.2	15/0/0	85		
1992/93	4.00	2.58	2.21	**0.85	—	—	79.0	5/0/0	82		
1993/94	4.00	2.86	2.45	—	—	—	—	0/0/0	—		
\$/cwt											
Rice											
1986/87 5/	11.90	7.20	6/ 3.94	4.70	—	—	4.2	35/0/0	94		
1987/88	11.66	6.84	6/ 5.79	4.82	—	—	4.2	35/0/0	96		
1988/89	11.15	6.63	6/ 6.21	4.31	—	—	4.2	25/0/0	94		
1989/90	10.80	6.50	6/ 5.71	3.56	—	—	4.2	25/0/0	94		
1990/91 6/	10.71	6.50	6/ 5.08	4.21	—	—	4.2	20/0/0	94		
1991/92	10.71	6.50	—	3.07	—	—	4.2	5/0/0	95		
1992/93	10.71	6.50	—	**3.51	—	—	4.1	0/0/0	93		
\$/bu.											
Corn											
1986/87 5/	3.03	2.40	1.92	1.11	0.73	—	81.7	17.5/2.5/0	88		
1987/88	3.03	2.28	1.82	1.09	—	2.00	81.5	20/0/15	91		
1988/89	2.93	2.21	1.77	0.36	—	1.75	82.9	20/0/10	87		
1989/90	2.84	2.06	1.65	0.58	—	—	82.7	10/0/0	80		
1990/91 6/	2.75	1.96	1.57	0.53	—	—	82.6	10/0/0	77		
1991/92	2.75	1.89	1.62	0.41	—	—	82.7	7.5/0/0	77		
1992/93	2.75	2.01	1.72	**0.48	—	—	82.2	5/0/0	75		
\$/bu.											
Sorghum											
1986/87 5/	2.86	2.28	1.82	1.06	0.85	—	19.0	9/ 17.5/2.5/0	74		
1987/88	2.88	2.17	1.74	1.14	—	1.90	17.4	20/0/15	85		
1988/89	2.78	2.10	1.58	0.48	—	1.65	18.8	20/0/10	82		
1989/90	2.70	1.96	1.57	0.66	—	—	16.2	10/0/0	71		
1990/91 6/	2.61	1.86	1.49	0.58	—	—	15.4	10/0/0	70		
1991/92	2.61	1.80	1.54	0.37	—	—	13.5	7.5/0/0	77		
1992/93	2.61	1.81	1.63	**0.48	—	—	13.6	5/0/0	77		
\$/bu.											
Barley											
1986/87 5/	2.60	1.95	1.56	0.99	0.57	—	12.4	9/ 17.5/2.5/0	72		
1987/88	2.60	1.86	1.49	0.79	—	1.60	12.5	20/0/15	85		
1988/89	2.51	1.60	1.44	0.00	—	1.40	12.4	20/0/10	79		
1989/90	2.43	1.58	1.34	0.00	—	—	12.3	10/0/0	87		
1990/91 6/	2.36	1.80	1.28	0.22	—	—	11.9	10/0/0	68		
1991/92	2.36	1.54	1.32	0.62	—	—	11.5	7.5/0/0	76		
1992/93	2.36	1.84	1.40	**0.35	—	—	11.1	5/0/0	74		
\$/bu.											
Oats											
1986/87 5/	1.80	1.23	0.99	0.39	0.36	—	9.2	9/ 17.5/2.5/0	38		
1987/88	1.80	1.17	0.94	0.20	—	0.80	8.4	20/0/15	45		
1988/89	1.55	1.14	0.90	0.00	—	—	7.9	5/0/0	30		
1989/90	1.50	1.06	0.85	0.00	—	—	7.6	5/0/0	18		
1990/91 6/	1.45	1.01	0.81	0.33	—	—	7.5	5/0/0	09		
1991/92	1.45	0.97	0.83	0.35	—	—	7.3	0/0/0	38		
1992/93	1.45	1.03	0.88	**0.15	—	—	7.3	0/0/0	40		
\$/bu.											
Soybeans 10/											
1986/87 5/	—	—	4.77	—	—	—	—	—	—		
1987/88	—	—	4.77	—	—	—	—	—	—		
1988/89	—	—	4.77	—	—	—	—	—	—		
1989/90	—	—	4.53	—	—	—	—	11/ 10/25	—		
1990/91 6/	—	—	4.50	—	—	—	—	11/ 0/25	—		
1991/92	—	—	5.02	—	—	—	—	11/ 0/25	—		
1992/93	—	—	5.02	—	—	—	—	11/ 0/25	—		
Cts./lb.											
Upland cotton											
1986/87 5/	81.0	55.00	12/ 44.00	28.00	—	—	15.5	25/0/0	82		
1987/88	79.4	52.25	13/ 60.00	17.3	—	—	14.5	25/0/0	93		
1988/89	75.9	51.80	13/ 51.89	19.4	—	—	14.5	12.5/0/0	89		
1989/90	73.4	50.00	13/ 65.05	13.1	—	—	14.6	25/0/0	89		
1990/91 6/	72.9	50.27	13/ 53.00	7.3	—	—	14.4	12.5/0/0	86		
1991/92 14/	72.9	50.77	13/ —	10.1	—	—	14.6	5/0/0	84		
1992/93	72.9	62.35	13/ —	**15.0	—	—	14.9	10/0/0	87		

^{1/} There are no Findley loan rates for rice or cotton. See footnotes 5/ 12/ & 13/. ^{2/} National effective crop acreage base as determined by ASCS. Net of CRP.

^{3/} Program requirements for participating producers (mandatory acreage reduction program/mandatory paid land diversion/optional paid land diversion). Acres idled must be devoted to a conserving use to receive program benefits. ^{4/} Percentage of effective base acres enrolled in acreage reduction programs. ^{5/} Payments & loans received in cash were reduced by 4.3 percent in 1986/87 due to Gramm-Rudman-Hollings. ^{6/} Payments & loans were reduced by 1.4 percent in 1990/91 due to Gramm-Rudman-Hollings Budget Reconciliation Act reductions to deficiency payments rates were also in effect in that year. Data do not include these reductions.

^{7/} Under 1990 modified contracts, participating producers plant up to 105 percent of their wheat base acres. For every acre planted above 95 percent of base, the acreage used to compute deficiency payments was cut by 1 acre. ^{8/} A marketing loan has been in effect for rice since 1985/86. Loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly). However, loans cannot be repaid at less than a specified fraction of the loan rate. Data refer to annual average adjusted world prices.

^{9/} The sorghum, oats, & barley programs are the same as for corn except as indicated. ^{10/} There are no target prices, base acres, acreage reduction programs, or deficiency payment rates for soybeans. ^{11/} Nominal percentage of Program crop base acres permitted to shift into soybeans without loss of base. ^{12/} A marketing loan has been in effect for cotton since 1986/87. The loan repayment rate was fixed at 80 percent of the loan rate in 1986/87 (Plan A). ^{13/} In 1987/88 & after, loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly; Plan B). Starting in 1991/92, loans cannot be repaid at less than 70 percent of the loan rate. Data refer to annual average adjusted world prices. ^{14/} A marketing certificate program was implemented on Aug. 1, 1991. — = not available.

^{15/} For wheat & feed grains, the 1991/92 rate is the regular (5-month) deficiency payment rate. For the winter wheat option, the 5-month rate is \$1.25. For upland cotton & rice, the rate is the total payment rate. ^{16/} Estimated total deficiency payment rate. Minimum guaranteed payment rate for O/S2 (wheat & feed grains) & 50/92 (rice & upland cotton) programs.

Table 20.—Fruit

	1983	1984	1985	1986	1987	1988	1989	1990	1991 P
Citrus 1/									
Production (1,000 ton)	13,682	10,832	10,525	11,058	11,993	12,761	13,186	10,860	11,285
Per capita consumpt. (lbs.) 2/	28.0	22.8	21.8	24.3	24.0	25.4	25.1	22.1	19.9
Noncitrus 3/									
Production (1,000 tons)	14,168	14,301	14,191	13,874	16,011	15,893	16,365	15,858	15,821
Per capita consumpt. (lbs.) 2/	62.6	66.3	65.3	68.8	73.5	72.0	73.6	70.5	70.7
	1991						1992		
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
F.o.b. shipping point prices									
Apples (\$/carton) 4/	14.00	14.00	13.73	21.13	15.00	15.00	15.13	15.50	16.56
Pears (\$/box) 5/	13.00	13.00	12.50	21.25	13.50	13.88	18.13	15.10	14.30
Grower prices									
Oranges (\$/box) 6/	5.19	6.31	5.93	6.90	6.04	6.59	6.73	6.82	2.32
Grapefruit (\$/box) 6/	6.18	5.95	5.92	5.68	7.11	7.65	3.98	4.02	6.60
Stocks, ending									
Fresh apples (mil. lbs.)	4,481.5	3,703.8	2,952.9	2,315.4	1,623.1	1,073.3	672.9	327.1	106.5
Fresh pears (mil. lbs.)	335.4	217.2	181.5	152.7	93.6	57.0	18.7	4.7	49.4
Frozen fruits (mil. lbs.)	983.4	892.4	803.8	741.9	634.1	582.0	613.7	668.1	794.9
Frozen orange juice (mil. lbs.)	617.3	952.7	1,130.7	1,149.7	1,102.9	1,269.3	1,306.2	1,133.4	969.6

1/ 1991 indicated 1990/91 season. 2/ Fresh per capita consumption. 3/ Calendar year. 4/ Red delicious, Washington, extra fancy, carton tray pack, 125's. 5/ D'Anjou, Washington, standard box wrapped, U.S. no. 1, 135's. 6/ U.S. equivalent on-tree returns. P = preliminary.

Information contact: Wynnice Napper (202) 219-0884.

Table 21.—Vegetables

	Calendar year									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Production										
Total vegetables (1,000 cwt)	430,795	403,509	456,334	453,030	446,829	478,381	468,778	542,437	561,704	564,300
Fresh (1,000 cwt) 1/ 3/	183,451	185,782	201,817	203,549	203,185	220,538	228,397	239,281	239,104	229,007
Processed (tons) 2/ 3/	11,867,170	10,886,350	12,725,880	12,474,040	12,273,200	12,892,100	12,019,110	15,157,790	16,130,020	16,764,570
Mushrooms (1,000 lbs.) 4/	490,826	561,531	595,681	587,958	614,393	631,819	667,759	714,992	749,151	738,832
Potatoes (1,000 cwt)	355,131	333,726	362,039	406,809	361,743	389,320	358,438	370,444	402,110	418,226
Sweetpotatoes (1,000 cwt)	14,833	12,083	12,902	14,573	12,368	11,611	10,945	11,358	12,594	11,203
Dry edible beans (1,000 cwt)	25,563	15,520	21,070	22,298	22,000	26,031	19,253	23,729	32,378	32,963
	1991							1992		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Shipments										
Fresh (1,000 cwt) 5/	20,930	17,354	16,583	22,759	17,429	17,527	26,955	28,050	29,058	25,358
Potatoes (1,000 cwt)	13,069	12,277	11,386	14,747	12,213	14,325	22,793	14,643	11,768	10,946
Sweetpotatoes (1,000 cwt)	403	820	433	301	295	247	387	178	184	246

1/ Includes fresh production of asparagus, broccoli, carrots, cauliflower, celery, sweet corn, lettuce, honeydews, onions, & tomatoes. 2/ Includes processing production of snap beans, sweet corn, green peas, tomatoes, cucumbers (for pickles), asparagus, broccoli, carrots, & cauliflower. 3/ Asparagus & cucumber estimates were not available for 1982 & 1983. 4/ Fresh & processing *Agaricus* mushrooms only. Excludes specialty varieties. Crop year July 1–June 30. 5/ Includes snap beans, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, lettuce, onions, bell peppers, squash, honeydews, & watermelons.

Information contact: Gary Lucier or Cathy Greene (202) 219-0884.

Table 22.—Other Commodities

	Annual					1991			1992		
	1987	1988	1989	1990	1991	Apr–June	July–Sept	Oct–Dec	Jan–Mar	Apr–June	
Sugar											
Production 1/	7,309	7,087	8,841	8,335	7,139	625	647	3,861	2,138	733	
Deliveries 1/	8,167	8,188	8,340	8,661	8,698	2,103	2,340	2,238	2,016	2,230	
Stocks, ending 1/	3,195	3,132	2,946	2,729	2,923	2,487	1,513	2,923	3,625	2,761	
Coffee											
Composite green price											
N.Y. (cts/lb.)	109.14	119.59	95.17	78.93	70.09	72.13	68.18	64.84	59.19	51.72	
Imports, green bean equiv. (mil. lbs.) 2/	2,638	2,072	2,630	2,714	2,572	563	562	898	840	720	
	Annual					1991			1992		
Tobacco	1989	1990	1991	Jan	Aug	Sept	Oct	Nov	Dec	Jan	
Prices at auctions 3/											
Flue-cured (\$/lb.)	1.67	1.67	1.72	—	1.66	1.77	1.78	1.69	—	1.78	
Burley (\$/lb.)	1.67	1.75	1.79	1.77	—	—	—	1.83	1.80	1.78	
Domestic consumption 4/											
Cigarettes (bill.)	540.1	523.1	518.2	34.5	42.3	43.4	40.5	57.1	32.7	35.7	
Large cigars (mil.)	2,467.6	2,343.4	2,123.9	152.1	205.8	183.4	193.1	191.4	157.1	138.8	

1/ 1,000 short tons, raw value. Quarterly data shown at end of each quarter. 2/ Net imports of green & processed coffee. 3/ Crop year July–June for flue-cured, Oct.–Sept. for burley. 4/ Taxable removals. — = not available.

Information contacts: sugar, Peter Buzzanell (202) 219-0886; coffee, Fred Gray (202) 219-0888; tobacco, Verner Grise (202) 219-0890.

World Agriculture

Table 23.—World Supply & Utilization of Major Crops, Livestock & Products

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92 P	1992/93 F
Million units							
Wheat							
Area (hectares)	228.2	219.9	217.5	225.9	231.5	221.2	220.6
Production (metric tons)	524.8	496.4	495.7	533.3	588.8	543.0	539.4
Exports (metric tons) 1/	90.7	107.2	97.3	97.2	94.5	106.2	100.9
Consumption (metric tons) 2/	518.0	525.8	526.2	530.4	566.1	557.0	540.0
Ending stocks (metric tons) 3/	177.6	148.4	118.0	120.8	143.6	129.6	129.0
Coarse grains							
Area (hectares)	335.2	323.0	323.2	320.8	313.7	319.8	320.5
Production (metric tons)	822.6	784.7	721.5	792.9	920.6	801.4	818.3
Exports (metric tons) 1/	83.5	84.0	96.1	101.9	87.7	95.8	87.7
Consumption (metric tons) 2/	706.3	805.8	785.9	818.4	808.7	807.4	804.3
Ending stocks (metric tons) 3/	235.6	214.4	150.0	124.5	137.0	131.0	144.9
Rice, milled							
Area (hectares)	145.3	141.9	145.6	147.0	147.2	145.5	147.2
Production (metric tons)	318.2	316.1	331.8	344.3	353.1	347.2	351.9
Exports (metric tons) 4/	12.9	11.9	15.1	12.1	12.6	14.0	13.4
Consumption (metric tons) 2/	322.2	321.5	329.3	337.8	347.9	352.9	355.3
Ending stocks (metric tons) 3/	51.4	46.0	48.5	55.2	60.3	54.6	51.2
Total grains							
Area (hectares)	708.7	684.8	686.3	693.7	692.4	688.3	688.3
Production (metric tons)	1,865.8	1,597.2	1,549.0	1,870.5	1,782.5	1,691.6	1,709.6
Exports (metric tons) 1/	187.1	203.1	208.5	211.2	194.8	218.0	202.0
Consumption (metric tons) 2/	1,635.1	1,852.9	1,841.4	1,886.4	1,722.7	1,717.3	1,899.8
Ending stocks (metric tons) 3/	464.8	408.8	316.5	300.8	340.9	315.1	325.1
Oilseeds							
Crush (metric tons)	161.8	168.4	164.2	171.6	177.2	183.7	184.8
Production (metric tons)	194.9	210.5	201.8	212.4	218.0	221.7	224.4
Exports (metric tons)	37.7	39.5	31.5	35.5	33.0	36.2	36.1
Ending stocks (metric tons)	23.3	24.0	22.0	23.3	22.8	21.5	22.2
Meats							
Production (metric tons)	110.7	115.4	111.0	116.9	119.6	124.2	124.7
Exports (metric tons)	36.7	35.8	37.4	38.5	39.5	40.7	39.7
Oils							
Production (metric tons)	50.4	53.3	53.3	57.1	58.2	60.2	60.7
Exports (metric tons)	16.9	17.5	18.1	19.8	20.2	20.2	20.2
Cotton							
Area (hectares)	29.2	30.8	33.7	31.5	33.0	34.8	33.4
Production (bales)	70.8	81.1	84.4	78.8	87.0	95.2	92.1
Exports (bales)	25.9	23.1	25.8	23.9	22.9	22.4	22.7
Consumption (bales)	82.8	84.1	85.3	86.7	85.5	85.8	88.0
Ending stocks (bales)	35.9	33.0	32.1	26.5	28.8	38.9	42.5
	1986	1987	1988	1989	1990	1991 P	1992 F
					Million		
Red meat							
Production (metric tons)	109.8	112.8	116.5	117.9	120.0	119.1	118.8
Consumption (metric tons)	108.6	110.8	114.5	118.5	117.8	117.1	117.3
Exports (metric tons) 1/	6.6	6.7	7.1	7.2	7.3	7.7	7.7
Poultry 5/							
Production (metric tons)	30.1	31.3	32.7	34.0	35.8	37.8	39.3
Consumption (metric tons)	29.7	30.8	31.9	33.1	34.8	37.0	38.7
Exports (metric tons) 1/	1.3	1.5	1.8	1.8	2.0	2.7	2.2
Dairy							
Milk production (metric tons)	425.9	425.7	429.0	434.9	442.0	429.2	425.3

1/ Excludes intra-EC trade. 2/ Where stocks data not available (excluding USSR), consumption includes stock changes. 3/ Stocks data are based on differing marketing years & do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. 4/ Calendar year data. 1987 data correspond with 1986/87, etc. 5/ Poultry excludes the Peoples Republic of China before 1986. P = preliminary. F = forecast.

Information contact: Crops, Carol Whitton (202) 219-0824; red meat & poultry, Linda Bailey (202) 219-1285; dairy, Sara Short (202) 219-0770.

U.S. Agricultural Trade

Table 24.—Prices of Principal U.S. Agricultural Trade Products

	Annual			1991		1992				
	1988	1990	1991	July	Feb	Mar	Apr	May	June	July
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.65	3.72	3.52	3.22	4.83	4.63	4.36	4.09	4.04	3.72
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.85	2.79	2.75	2.69	2.91	2.97	2.79	2.80	2.81	2.61
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.70	2.65	2.69	2.56	2.98	3.06	2.79	2.75	2.70	2.42
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.06	6.24	6.05	5.79	6.06	6.19	6.05	6.28	6.36	6.01
Soybean oil, Decatur (cts./lb.)	20.21	22.75	20.14	18.87	18.85	19.58	18.84	20.06	20.68	18.73
Soybean meal, Decatur (\$/ton)	216.59	169.37	172.90	169.70	173.86	174.89	174.43	183.40	181.36	174.34
Cotton, 8-market avg. spot (cts./lb.)	63.78	71.25	69.69	71.33	50.78	52.01	54.97	55.45	58.82	60.93
Tobacco, avg. price at auction (cts./lb.)	166.81	170.57	179.23	163.53	174.82	195.50	182.04	182.04	182.04	155.02
Rice, f.o.b. mill, Houston (\$/cwt.)	15.68	15.52	16.46	17.00	17.50	17.50	17.50	17.25	16.83	16.50
Inedible tallow, Chicago (cts./lb.)	14.71	13.54	13.28	12.96	12.63	12.68	13.25	13.75	13.98	14.75
Import commodities										
Coffee, N.Y. spot (\$/lb.)	1.04	0.81	0.71	0.68	0.51	0.53	0.49	0.47	0.46	0.44
Rubber, N.Y. spot (cts./lb.)	50.65	46.28	45.73	44.59	43.95	44.51	45.86	46.41	46.57	46.78
Cocoa beans, N.Y. (\$/lb.)	0.55	0.55	0.52	0.45	0.51	0.49	0.44	0.42	0.40	0.47

Information contact: Mary Teymourian (202) 219-0824.

Table 25.—Indexes of Real Trade-Weighted Dollar Exchange Rates^{1/}

	1991					1992						
	Aug	Sept	Oct	Nov	Dec	Jan	Feb P	Mar P	Apr P	May P	June P	July P
1985 = 100												
Total U.S. trade ^{2/}	68.2	66.6	66.0	63.9	62.4	62.4	63.7	65.6	65.1	64.0	62.4	62.4
Agricultural trade												
U.S. markets	78.8	78.4	78.3	77.1	76.3	75.5	76.2	78.2	78.0	73.0	87.9	88.4
U.S. competitors	76.9	75.8	77.0	76.3	76.4	76.2	78.6	77.1	78.5	75.0	72.4	71.8
Wheat												
U.S. markets	98.1	96.3	97.4	96.8	96.8	95.4	95.8	100.8	100.4	89.4	75.6	72.9
U.S. competitors	71.1	70.3	69.9	69.4	69.5	70.0	71.2	71.5	70.9	71.1	70.5	70.6
Soybeans												
U.S. markets	68.8	67.4	66.7	65.0	63.7	63.1	63.7	65.8	65.6	63.5	62.0	61.7
U.S. competitors	54.8	54.1	56.0	56.3	57.4	57.1	51.0	57.7	57.4	56.5	56.7	56.6
Corn												
U.S. markets	73.7	72.3	71.3	70.1	69.4	68.3	69.0	70.7	70.5	63.3	60.6	58.4
U.S. competitors	64.3	62.8	62.5	61.3	60.6	60.2	60.8	61.4	60.6	60.0	59.1	58.9
Cotton												
U.S. markets	75.1	74.1	73.6	72.6	72.3	71.6	72.4	74.2	74.0	72.8	71.9	71.7
U.S. competitors	88.4	88.8	96.9	97.7	97.1	96.1	95.7	95.6	95.1	72.1	58.6	52.2

1/ Real indexes adjust nominal exchange rates for differences in rates of inflation, to avoid the distortion caused by high-inflation countries. A higher value means the dollar has appreciated. See the October 1988 issue of Agricultural Outlook for a discussion of the calculations and the weights used. 2/ Federal Reserve Board index of trade-weighted value of the U.S. dollar against 10 major currencies. Weights are based on relative importance in world financial markets. P = preliminary.

Information contact: Tim Baxter, (202) 219-0718.

Table 26.—Trade Balance

	Fiscal year 1/								June
	1985	1986	1987	1988	1989	1990	1991	1992 F	
\$ million									
Exports									
Agricultural	31,201	26,312	27,976	35,318	39,590	40,220	37,809	41,500	3,234
Nonagricultural	179,236	179,291	202,911	258,656	301,269	326,059	356,682	—	34,041
Total 2/	210,437	205,603	230,787	283,972	340,859	366,279	394,281	—	37,275
Imports									
Agricultural	19,740	20,884	20,650	21,014	21,476	22,560	22,588	23,500	2,109
Nonagricultural	313,722	342,846	367,374	409,138	441,075	458,101	463,720	—	43,336
Total 3/	333,462	363,730	388,024	430,152	462,551	480,861	486,308	—	45,445
Trade balance									
Agricultural	11,461	5,428	7,226	14,302	18,114	17,860	15,021	18,000	1,125
Nonagricultural	-134,486	-163,555	-164,463	-150,482	-139,806	-132,042	-107,038	—	-9,295
Total	-123,025	-158,127	-157,237	-136,180	-121,692	-114,382	-92,017	—	-8,170

1/ Fiscal years begin October 1 & end September 30. Fiscal year 1991 began Oct. 1, 1990 & ended Sept. 30, 1991. 2/ Domestic exports including Department of Defense shipments (F.A.S. value). 3/ Imports for consumption (customs value). F = forecast. — = not available.

Information contact: Stephen MacDonald (202) 219-0822.

Table 27.—U.S. Agricultural Exports & Imports

	Fiscal year*			June	Fiscal year*			June
	1990	1991	1992 F		1990	1991	1992 F	
	1,000 units		1,000 units	\$ million			1992	
EXPORTS								
Animals, live (no.) 1/	885	1,235	—	118	361	546	—	33
Meats & preps., excl. poultry (mt)	873	837	2/ 900	91	2,457	2,774	—	278
Dairy products 1/	105	43	—	5	358	293	600	59
Poultry meats (mt)	583	628	700	85	670	737	—	76
Fats, oils, & greases (mt)	1,265	1,169	1,300	105	459	419	—	38
Hides & skins incl. furskins	—	—	—	—	1,794	1,453	—	115
Cattle hides, whole (no.) 1/	23,920	21,808	—	1,800	1,412	1,193	—	98
Mink pelts (no.) 1/	5,128	3,941	—	149	116	74	—	3
Grains & feeds (mt)	112,925	100,016	—	7,828	15,698	12,206	3/ 13,700	1,075
Wheat (mt)	28,068	26,708	33,500	2,042	4,212	2,857	4/ 4,300	274
Wheat flour (mt)	851	1,076	900	64	198	202	—	13
Rice (mt)	2,481	2,401	2,200	154	930	748	700	48
Feed grains, incl. products (mt)	69,384	52,337	48,200	4,152	8,094	5,789	5,700	491
Feeds & fodders (mt)	11,153	16,389	5/ 11,500	1,103	1,820	1,914	—	184
Other grain products (mt)	978	1,105	—	113	538	695	—	64
Fruits, nuts, & preps. (mt)	2,872	2,849	—	307	2,798	3,038	—	305
Fruit juices incl.								
froz. (1,000 hectoliters) 1/	5,975	6,310	—	832	328	338	—	47
Vegetables & preps. (mt)	2,243	2,589	—	280	2,079	2,597	—	244
Tobacco, unmanufactured (mt)	218	239	200	21	1,350	1,533	1,500	137
Cotton, excl. linters (mt)	1,666	1,585	1,600	125	2,704	2,605	2,300	171
Seeds (mt)	556	514	—	11	573	618	700	20
Sugar, cane or beet (mt)	447	589	—	36	187	219	—	11
Oilseeds & products (mt)	23,745	21,976	—	1,408	6,099	5,607	7,200	388
Oilseeds (mt)	17,869	15,633	—	788	4,239	3,811	—	201
Soybeans (mt)	17,229	15,139	19,800	742	3,942	3,485	4,200	172
Protein meal (mt)	4,780	5,282	—	470	1,032	1,073	—	96
Vegetable oils (mt)	1,296	1,051	—	151	820	723	—	91
Essential oils (mt)	14	13	—	1	182	.183	—	14
Other	91	92	—	7	2,115	2,441	—	224
Total	147,583	133,219	140,000	10,090	40,220	37,809	41,500	3,234
IMPORTS								
Animals, live (no.) 1/	2,938	3,188	—	196	1,053	1,131	1,200	96
Meats & preps., excl. poultry (mt)	1,142	1,191	—	111	2,848	3,018	—	257
Beef & veal (mt)	754	811	800	84	1,842	2,024	2,100	183
Pork (mt)	340	322	260	21	888	866	800	51
Dairy products (mt) 1/	255	231	—	22	951	807	800	81
Poultry & products 1/	—	—	—	—	129	118	—	10
Fats, oils, & greases (mt)	19	33	—	5	15	18	—	2
Hides & skins, incl. furskins 1/	—	—	—	—	182	153	—	15
Wool, unmanufactured (mt)	47	50	—	4	187	175	—	12
Grains & feeds (mt)	3,481	4,163	5,000	509	1,181	1,271	1,500	136
Fruits, nuts, & preps., excl. juices (mt)	5,331	5,648	6,000	501	2,486	2,740	—	272
Bananas & plantains (mt)	3,236	3,397	3,650	333	928	992	1,100	100
Fruit juices (1,000 hectoliters) 1/	33,933	27,948	30,000	2,103	1,002	737	—	77
Vegetables & preps. (mt)	2,243	2,190	—	142	2,284	2,185	2,100	181
Tobacco, unmanufactured (mt)	183	215	220	34	588	698	800	106
Cotton, unmanufactured (mt)	30	18	—	1	20	16	—	1
Seeds (mt)	171	169	150	8	164	173	200	15
Nursery stock & cut flowers 1/	—	—	—	—	519	538	—	29
Sugar, cane or beet (mt)	1,788	1,785	—	140	734	717	—	57
Oilseeds & products (mt)	2,016	2,077	—	225	964	859	1,100	111
Oilseeds (mt)	534	445	—	54	206	151	—	14
Protein meal (mt)	310	412	—	46	48	57	—	7
Vegetable oils (mt)	1,171	1,220	—	124	710	750	—	90
Beverages excl. fruit juices (1,000 hectoliters) 1/	13,543	12,987	—	1,420	1,867	1,858	—	218
Coffee, tea, cocoa, spices	2,202	2,025	2,300	197	3,465	3,280	—	281
Coffee, incl. products (mt)	1,290	1,116	1,250	110	1,997	1,831	1,600	138
Cocoa beans & products (mt)	698	880	800	60	1,042	1,005	1,100	82
Rubber & allied gums (mt)	840	792	860	78	712	664	700	63
Other	—	—	—	—	1,229	1,332	—	128
Total	—	—	—	—	22,560	22,588	23,500	2,109

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1981 began Oct. 1, 1980 & ended Sept. 30, 1981. 1/ Not included in total volume and also other dairy products for 1989 & 1990. 2/ Forecasts for footnoted items 2/6-8/ are based on slightly different groups of commodities. Fiscal 1990 exports of categories used in the 1991 forecasts were 2/ 676,000 m.tons. 3/ 16,014 million. 4/ 4,426 million i.e. includes flour. 5/ 11,065 million m.tons. 6/ Less than \$500. F = forecast. — = not available.

Information contact: Stephen MacDonald (202) 219-0822.

Table 28.—U.S. Agricultural Exports by Region

Region & country	Fiscal year*			June 1992	Change from year* earlier			June 1992
	1990	1991	1992 F		1990	1991	1992 F	
\$ million								
WESTERN EUROPE					Percent			
European Community (EC-12)	7,309	7,312	7,800	423	4	0	4	-11
Belgium-Luxembourg	6,815	6,776	7,100	392	4	-1	4	-12
France	426	464	—	17	-1	9	—	-53
Germany	469	571	—	42	-1	22	—	20
Italy	1,096	1,135	—	60	17	4	—	-6
Netherlands	702	675	—	35	15	-4	—	-30
United Kingdom	1,836	1,561	—	103	-11	-5	—	-6
Portugal	760	883	—	72	3	16	—	7
Spain, incl. Canary Islands	338	251	—	17	-10	-28	—	-35
Other Western Europe	976	855	—	29	15	-12	—	-34
Switzerland	493	536	500	31	-3	9	0	8
EASTERN EUROPE	171	194	—	9	3	13	—	-29
Poland	533	306	200	17	35	-43	-33	48
Yugoslavia	101	48	—	4	124	-54	—	164
Romania	129	74	—	0	69	-43	—	-88
USSR	210	62	—	2	239	-61	—	-78
USSR	3,006	1,758	2,700	165	-9	-42	50	441
ASIA								
West Asia (Mideast)	18,174	16,094	17,400	1,391	-3	-11	8	23
Turkey	1,996	1,430	1,700	136	-12	-28	21	73
Iraq	280	224	—	38	9	-14	—	884
Israel, incl. Gaza & W. Bank	497	0	0	0	-37	-100	0	0
Saudi Arabia	285	287	—	28	-14	1	—	47
Japan	502	536	600	35	4	7	20	20
South Asia	723	375	—	18	-38	-48	—	-13
Bangladesh	120	67	—	1	-44	-44	—	-16
India	116	95	—	8	-52	-18	—	41
Pakistan	391	144	200	1	-35	-63	100	-92
China	909	668	800	56	-39	-27	29	0
Japan	8,155	7,736	8,200	725	0	-5	6	25
Southeast Asia	1,184	1,239	—	97	21	5	—	31
Indonesia	277	279	—	23	28	—	—	65
Philippines	351	373	400	31	2	6	0	24
Other East Asia	5,206	4,646	4,900	358	13	-11	7	12
Taiwan	1,819	1,739	1,900	123	14	-4	12	-8
Korea, Rep.	2,701	2,159	2,200	171	10	-20	5	33
Hong Kong	685	745	800	65	19	9	14	19
AFRICA								
North Africa	2,011	1,884	2,200	207	-12	-6	16	89
Morocco	1,527	1,388	1,400	124	-15	-9	0	59
Algeria	164	129	—	15	-24	-21	—	1,184
Egypt	491	479	500	68	-11	-2	0	284
Sub-Saharan	763	692	700	37	-20	-9	0	-27
Nigeria	484	496	800	84	0	2	60	162
Rep. S. Africa	32	44	—	3	7	37	—	-10
	81	74	—	41	43	-9	—	1,496
LATIN AMERICA & CARIBBEAN								
Brazil	5,155	5,500	6,400	531	-5	7	16	21
Caribbean Islands	105	271	200	8	-30	159	-33	-54
Central America	1,008	1,010	—	83	0	0	—	2
Colombia	463	497	—	56	3	7	—	56
Mexico	147	124	—	16	6	-18	—	35
Peru	2,666	2,884	3,700	289	-3	8	28	24
Venezuela	187	150	—	12	132	-20	—	-7
CANADA	345	307	400	48	-41	-11	33	48
OCEANIA	3,715	4,409	4,700	449	70	19	7	4
TOTAL	40,220	37,609	41,500	3,234	2	-6	11	22
Developed countries	19,805	20,104	21,400	1,688	10	2	7	11
Less developed countries	15,966	14,769	16,400	1,490	-3	-7	12	40
Centrally planned countries	4,448	2,736	3,700	56	-15	-38	37	-6

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1991 began Oct. 1, 1990 & ended Sept. 30, 1991. F = forecast. — = not available.

Note: Adjusted for transhipments through Canada.

Information contact: Stephen MacDonald (202) 219-0822

Farm Income

Table 29.—Farm Income Statistics

	Calendar year										
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 F
	\$ billion										
1. Farm receipts	147.8	141.0	147.7	150.1	140.2	148.4	158.2	169.3	177.1	175	170 to 176
Crops (incl. net CCC loans)	72.3	67.2	69.9	74.3	63.7	65.8	71.0	76.9	80.0	81	80 to 83
Livestock	70.3	69.6	72.9	69.8	71.6	78.0	79.4	84.1	89.9	87	84 to 85
Farm related 1/	6.2	5.1	4.9	6.0	5.7	8.6	7.1	8.2	7.2	8	8 to 8
2. Direct Government payments	3.5	9.3	8.4	7.7	11.8	16.7	14.5	10.9	9.3	8	9 to 10
Cash payments	3.5	4.1	4.0	7.8	8.1	6.8	7.1	9.1	8.4	8	9 to 10
Value of PIK commodities	0.0	5.2	4.5	0.1	3.7	10.1	7.4	1.7	0.9	0	0 to 1
3. Gross cash income (1+2) 2/	151.3	151.1	156.1	157.9	152.8	185.1	171.7	180.2	188.4	183	180 to 185
4. Nonmoney income 3/	14.3	13.6	5.9	5.6	5.5	5.6	6.1	6.2	6.1	6	6 to 7
5. Value of inventory change	-1.4	-10.9	6.0	-2.3	-2.2	-2.3	-3.4	4.8	3.5	1	1 to 5
6. Total gross farm income (3+4+5)	164.1	153.9	168.0	161.2	156.1	188.5	175.4	191.1	198.0	189	180 to 195
7. Cash expenses 4/	113.2	112.8	118.7	110.7	105.0	109.4	114.6	121.2	125.2	125	125 to 129
8. Total expenses	140.3	139.8	141.9	132.4	125.1	128.8	134.3	141.2	145.1	145	145 to 149
9. Net cash income (4-7)	38.1	38.4	37.4	47.1	47.8	55.8	58.1	58.0	61.3	58	54 to 57
10. Net farm income (9-8)	23.8	14.2	26.1	28.8	31.0	39.7	41.1	49.9	51.0	45	42 to 47
Deflated (1987\$)	28.5	16.3	28.7	30.5	32.0	39.7	39.5	46.0	45.0	38	34 to 40

1/ Income from machine hire, custom work, sales of forest products, & other miscellaneous cash sources. 2/ Numbers in parentheses indicate the combination of items required to calculate a given item. 3/ Value of home consumption of self-produced food & imputed gross rental value of farm dwellings. 4/ Excludes capital consumption, perquisites to hired labor, & farm household expenses. Total may not add because of rounding. F = forecast.

Information contact: Robert McElroy (202) 219-0800.

Table 30.—Balance Sheet of the U.S. Farming Sector

	Calendar year 1/										
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 F
	\$ billion										
Assets											
Real estate	750.0	753.4	681.9	586.2	542.3	578.0	595.5	615.5	627.5	623	620 to 630
Non-real estate	194.5	189.8	195.2	188.5	182.1	193.7	205.4	213.4	219.0	219	215 to 225
Livestock & poultry	53.0	49.5	48.6	48.3	47.8	58.0	62.2	66.2	70.9	68	68 to 72
Machinery & motor vehicles	86.0	85.8	85.0	82.9	81.5	80.0	81.0	84.5	84.3	84	81 to 85
Crops stored 2/	25.8	23.6	28.1	22.9	16.3	17.5	23.3	23.4	22.8	24	21 to 25
Purchased Inputs	—	—	2.0	1.2	2.1	3.2	3.5	2.6	2.8	2	2 to 4
Financial assets	29.7	30.9	32.6	33.3	34.5	35.1	35.4	36.8	38.3	40	39 to 43
Total farm assets	944.5	943.2	857.0	772.7	724.4	772.8	800.9	828.9	848.5	842	845 to 850
Liabilities											
Real estate debt 3/	101.8	103.2	108.7	100.1	90.4	82.4	77.8	75.4	73.7	74	73 to 77
Non-real estate debt 4/	87.0	87.9	87.1	77.5	66.8	62.0	61.7	61.8	63.1	64	63 to 67
Total farm debt	188.8	191.1	193.8	177.6	157.0	144.4	139.4	137.2	136.8	138	136 to 142
Total farm equity	755.7	752.2	663.3	595.1	567.5	626.2	661.8	691.8	709.8	703	705 to 715
Percent											
Selected ratios											
Debt-to-assets	20.0	20.3	22.6	23.0	21.7	18.7	17.4	16.6	16.2	17	16 to 17
Debt-to-equity	25.0	25.5	29.2	29.8	27.7	23.0	21.1	19.8	19.3	20	19 to 20
Debt-to-net cash income	496	498	518	377	328	259	240	233	223	240	250 to 260

1/ As of Dec. 31. 2/ Non-CCC crops held on farms plus value above loan rates for crops held under CCC. 3/ Excludes debt on operator dwellings, but includes CCC storage and drying facilities loans. 4/ Excludes debt for nonfarm purposes. F = forecast.

Information contacts: Ken Erickson or Jim Ryan (202) 219-0798.

Table 31.—Cash Receipts From Farm Marketings, by State

Region & State	Livestock & products				Crops 1/				Total 1/			
	1990	1991	May 1992	June 1992	1990	1991	May 1992	June 1992	1990	1991	May 1991	June 1992
	\$ million 2/											
NORTH ATLANTIC												
Maine	220	215	20	21	240	203	13	2	460	418	33	23
New Hampshire	63	63	8	5	71	70	6	4	134	133	11	9
Vermont	398	365	35	33	49	51	7	3	447	418	42	36
Massachusetts	118	116	11	10	303	337	19	20	418	453	30	30
Rhode Island	13	13	1	1	58	58	5	3	71	71	8	4
Connecticut	196	193	15	15	250	253	18	13	446	446	33	28
New York	1,983	1,766	184	166	1,023	1,067	72	74	3,006	2,833	235	240
New Jersey	196	199	17	18	452	464	34	46	847	663	51	62
Pennsylvania	2,714	2,478	285	230	1,053	1,009	73	62	3,787	3,487	358	292
NORTH CENTRAL												
Ohio	1,838	1,662	140	141	2,335	2,285	81	110	4,172	3,946	221	251
Indiana	2,060	1,892	155	150	2,871	2,596	87	126	4,931	4,488	242	276
Illinois	2,477	2,288	183	202	5,461	5,198	246	305	7,938	7,486	428	507
Michigan	1,398	1,277	108	108	1,785	1,787	95	110	3,183	3,064	203	218
Wisconsin	4,581	4,162	385	393	1,125	1,175	64	81	5,706	5,337	449	474
Minnesota	3,758	3,485	299	315	3,253	3,386	251	307	7,011	6,871	550	622
Iowa	5,882	5,502	448	427	4,437	4,539	243	294	10,319	10,040	690	722
Missouri	2,271	2,155	149	156	1,668	1,673	61	87	3,839	3,828	210	243
North Dakota	813	803	38	33	1,724	1,919	91	158	2,537	2,722	129	191
South Dakota	2,313	2,239	144	128	1,038	1,089	70	77	3,349	3,327	214	205
Nebraska	6,037	5,950	434	477	2,808	2,951	128	170	8,845	8,901	561	648
Kansas	4,896	4,731	422	402	2,099	2,123	81	144	6,995	6,854	503	547
SOUTHERN												
Delaware	460	431	45	38	184	175	9	13	644	605	54	51
Maryland	828	785	73	67	517	509	36	35	1,345	1,295	108	102
Virginia	1,379	1,352	107	94	741	726	25	38	2,120	2,078	132	130
West Virginia	269	267	19	20	70	74	2	6	338	342	22	26
North Carolina	2,653	2,544	210	217	2,214	2,272	82	105	4,867	4,818	293	322
South Carolina	577	558	43	37	599	674	26	84	1,176	1,231	69	122
Georgia	2,288	2,064	179	173	1,574	1,828	68	114	3,842	3,892	247	288
Florida	1,260	1,200	92	87	4,448	4,836	483	256	5,708	6,038	575	342
Kentucky	1,898	1,632	89	97	1,400	1,480	24	39	3,098	3,112	113	136
Tennessee	1,111	1,051	73	74	928	970	28	38	2,039	2,021	100	112
Alabama	2,083	2,010	175	162	655	753	32	44	2,737	2,763	207	206
Mississippi	1,322	1,291	103	106	1,111	1,191	37	28	2,433	2,482	140	134
Arkansas	2,708	2,575	215	229	1,553	1,836	32	84	4,259	4,410	247	313
Louisiana	637	617	48	56	1,284	1,261	24	28	1,921	1,879	73	83
Oklahoma	2,363	2,382	342	131	1,191	1,049	51	179	3,554	3,431	393	310
Texas	7,712	7,693	619	649	4,268	4,496	189	288	11,981	12,189	808	938
WESTERN												
Montana	864	854	53	30	742	746	36	40	1,606	1,600	89	70
Idaho	1,154	1,099	90	89	1,781	1,566	66	61	2,935	2,665	156	150
Wyoming	610	616	40	18	157	162	6	5	767	777	46	23
Colorado	3,029	2,906	222	194	1,184	1,099	59	56	4,213	4,005	280	249
New Mexico	1,046	1,028	72	76	483	477	30	46	1,529	1,503	102	122
Arizona	818	823	77	85	1,046	1,206	100	63	1,865	2,029	177	147
Utah	578	555	44	47	179	167	7	9	755	722	51	57
Nevada	218	218	18	15	115	93	4	3	333	311	22	18
Washington	1,398	1,318	124	114	2,420	2,698	175	205	3,816	4,016	299	319
Oregon	755	751	55	66	1,557	1,546	68	91	2,312	2,297	124	157
California	5,515	5,474	487	447	13,344	13,370	970	842	18,859	18,843	1,456	1,289
Alaska	8	8	1	1	19	19	1	1	27	27	2	2
Hawaii	88	89	8	8	499	489	42	42	588	578	50	50
UNITED STATES	89,623	85,742	7,179	6,854	80,364	82,002	4,454	5,035	60,987	67,743	11,634	11,889

1/ Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. 2/ Estimates as of end of current month. Totals may not add because of rounding.

Information contact: Roger Strickland (202) 219-0806.

Table 32.—Cash Receipts From Farming

	Annual						1991					1992				
	1986		1987		1988		1989	1990	1991	June	Feb	Mar	Apr	May	June	
							\$ million									
Farm marketings & CCC loans ^a	135,303	141,759	151,082	160,893	169,987	187,743	11,781	11,536	12,229	12,117	11,634	11,889				
Livestock & products	71,653	75,994	79,437	84,131	89,623	85,742	6,681	6,714	7,120	6,638	7,179	6,854				
Meat animals	39,081	44,478	46,492	46,857	51,677	50,325	3,789	4,053	4,227	3,791	3,997	3,724				
Dairy products	17,724	17,727	17,841	19,396	20,199	18,321	1,464	1,487	1,581	1,588	1,727	1,701				
Poultry & eggs	12,701	11,518	12,868	15,372	15,270	14,641	1,246	1,012	1,133	1,087	1,281	1,242				
Other	2,048	2,274	2,436	2,507	2,477	2,455	182	182	179	169	174	187				
Crops	63,749	65,784	71,645	76,761	80,364	82,002	5,099	4,822	5,109	5,481	4,454	5,035				
Food grains	5,741	5,778	7,487	8,247	7,878	7,260	689	554	507	392	359	672				
Feed crops	16,811	14,576	14,298	17,061	18,116	19,278	1,156	1,243	1,157	1,250	848	1,184				
Cotton (lint & seed)	3,371	4,189	4,546	5,040	5,234	6,006	104	212	105	103	68	66				
Tobacco	1,894	1,818	2,083	2,415	2,736	2,898	0	38	8	10	0	0				
Oil-bearing crops	10,614	11,283	13,500	11,868	12,403	12,597	578	763	587	745	576	664				
Vegetables & melons	8,865	9,902	9,787	11,461	11,533	11,799	1,154	698	1,135	1,050	1,078	883				
Fruits & tree nuts	7,252	8,062	9,204	9,257	9,308	9,856	737	526	524	558	485	677				
Other	9,101	10,181	10,780	11,415	12,160	12,308	882	787	1,084	1,374	1,041	691				
Government payments	11,813	16,747	14,480	10,887	9,298	8,214	216	822	1,580	1,722	729	140				
Total	147,116	158,508	165,562	171,760	170,285	175,957	11,997	12,358	13,809	13,839	12,363	12,029				

^a Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period.

Information contact: Roger Strickland (202) 219-0806.

Table 33.—Farm Production Expenses

	Calendar year										1992 F
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 F	
	\$ million										
Feed purchased	20,573	19,383	16,940	17,472	17,463	20,393	21,002	20,700	19,800	19,000	to 21,000
Livestock & poultry purchased	8,818	9,487	9,184	9,758	11,842	12,784	13,138	14,832	14,358	13,000	to 15,000
Seed purchased	2,690	3,388	3,128	3,188	3,259	3,359	3,558	3,578	3,975	3,000	to 5,000
Farm-origin inputs	32,081	32,256	29,261	30,418	32,564	36,515	37,698	38,114	38,133	38,000	to 40,000
Fertilizer & lime	7,055	8,381	7,513	8,820	8,453	8,947	7,249	7,135	7,419	7,000	to 9,000
Fuels & oils	7,211	7,298	6,438	5,310	4,957	4,903	4,798	5,730	5,472	5,000	to 8,000
Electricity	1,982	2,060	1,878	1,795	2,156	2,289	2,543	2,480	2,483	2,000	to 3,000
Pesticides	3,870	4,888	4,334	4,324	4,512	4,677	5,437	5,730	6,313	6,000	to 7,000
Manufactured inputs	20,118	22,404	20,160	18,249	18,077	18,716	20,027	21,083	21,687	21,000	to 25,000
Short-term interest	10,615	10,396	8,735	7,367	8,767	8,797	8,910	8,911	8,815	5,000	to 7,000
Real estate interest 1/	10,615	10,733	9,878	9,131	8,187	7,885	7,781	7,607	7,319	6,000	to 8,000
Total interest charges	21,430	21,129	18,613	18,498	14,954	14,682	14,691	14,518	13,934	13,000	to 15,000
Repair & maintenance 1/	8,529	6,418	6,370	6,426	6,760	6,858	7,340	7,347	7,234	7,000	to 8,000
Contract & hired labor	8,038	9,427	10,008	9,484	9,075	10,441	11,110	12,541	12,595	11,000	to 15,000
Machine hire & custom work	2,213	2,588	2,354	2,099	2,105	2,354	2,682	2,633	2,722	2,000	to 3,000
Marketing, storage, & transportation	3,904	4,012	4,127	3,652	4,078	3,450	4,080	4,046	4,532	4,000	to 5,000
Misc. operating expenses 1/ 2/	10,081	10,331	10,010	9,759	11,171	11,791	12,522	12,364	13,258	10,000	to 13,000
Other operating expenses	32,545	32,751	32,968	31,420	34,089	34,894	37,734	38,931	40,339	39,000	to 45,000
Capital consumption 1/	23,768	20,847	19,200	17,788	17,092	17,344	17,780	17,494	17,352	17,000	to 18,000
Taxes 1/	4,465	4,337	4,542	4,612	4,853	4,048	5,127	5,623	5,980	5,000	to 7,000
Net rent to nonoperator landlord	5,211	8,150	7,690	6,099	7,124	7,290	8,187	8,334	7,464	7,000	to 8,000
Other overhead expenses	33,434	33,334	31,531	26,469	29,059	29,482	31,094	31,451	30,798	29,000	to 33,000
Total production expenses	138,608	141,873	132,433	125,064	128,772	134,285	141,244	145,077	144,889	145,000	to 148,000

1/ Includes operator dwellings. 2/ Beginning in 1982, miscellaneous operating expenses include other livestock purchases, dairy assessments & feeding fees paid by nonoperators. Totals may not add because of rounding. F = forecast.

Information contacts: Chris McGath (202) 219-0804, Robert McElroy (202) 219-0800.

Table 34.—CCC Net Outlays by Commodity & Function

	Fiscal year									
	1984	1985	1986	1987	1988	1989	1990	1991	1992 E	1993 E
	\$ million									
COMMODITY/PROGRAM										
Feed grains										
Corn	-934	4,403	10,524	12,346	8,227	2,863	2,450	2,387	1,949	4,165
Grain sorghum	78	463	1,185	1,203	764	467	361	243	187	361
Barley	89	338	471	394	57	45	-93	71	174	167
Oats	5	2	26	17	-2	1	-5	12	33	32
Corn & oat products	6	7	5	7	7	8	8	9	9	8
Total feed grains	-758	5,211	12,211	13,967	9,053	3,384	2,721	2,722	2,352	4,733
Wheat	2,536	4,691	3,440	2,836	878	53	808	2,958	1,608	1,751
Rice	333	990	947	908	128	631	667	867	698	736
Upland cotton	244	1,553	2,142	1,796	666	1,461	-79	382	1,271	1,893
Tobacco	348	455	253	-346	-453	-387	-307	-143	-32	38
Dairy	1,502	2,085	2,337	1,166	1,295	879	505	839	199	131
Soybeans	-585	711	1,597	-478	-1,676	-86	5	40	6	-20
Peanuts	1	12	32	8	7	13	1	48	83	35
Sugar	10	184	214	-65	-246	-25	15	-20	-27	-28
Honey	90	81	89	73	100	42	47	18	21	14
Wool	132	109	123	152	1/ 5	93	104	172	182	183
Operating expense 3/	362	346	457	535	614	620	818	625	7	7
Interest expenditure	1,064	1,435	1,411	1,218	425	98	632	745	675	271
Export programs 4/	743	134	102	278	200	-102	-34	733	1,969	1,982
1989/90 Disaster/										
livestock assistance										
Other	0	0	0	0	0	3,919	2/ 161	121	1,086	0
	1,295	-314	486	371	1,665	110	609	2	466	1,368
Total	7,315	17,683	25,841	22,408	12,461	10,523	8,471	10,110	10,564	13,094
FUNCTION										
Price-support loans (net)	-27	8,272	13,628	12,199	4,579	-926	-399	418	541	1,066
Direct payments 5/										
Deficiency	812	8,302	6,166	4,833	3,971	5,798	4,178	6,224	5,118	7,718
Diversion	1,504	1,525	64	382	8	-1	0	0	0	0
Dairy termination	0	0	489	587	260	168	189	96	13	0
Other	0	0	27	80	0	42	3	21	327	419
Disaster	1	0	0	0	6	4	0	0	0	0
Total direct payments	2,117	7,827	8,746	5,862	4,245	8,011	4,370	6,341	5,458	8,137
1988/89 crop disaster	0	0	0	0	0	3,386	2/ 5	6	896	0
Emergency livestock/										
forage assistance	0	0	0	0	31	533	158	115	90	0
Purchases (net)	1,470	1,331	1,670	-479	-1,131	116	-48	646	220	199
Producer storage										
payments	268	328	485	832	658	174	185	1	26	24
Processing, storage,										
& transportation	639	857	1,013	1,650	1,113	659	317	394	192	128
Operating expense 3/	362	346	457	535	614	620	818	625	7	7
Interest expenditure	1,064	1,435	1,411	1,218	425	98	632	745	675	271
Export programs 4/	743	134	102	278	200	-102	-34	733	1,969	1,982
Other	679	-648	328	305	1,727	-48	669	86	390	1,280
Total	7,315	17,683	25,841	22,408	12,461	10,523	8,471	10,110	10,564	13,094

1/ Fiscal 1988 wool & mohair program outlays were \$130,635,000 but include a one-time advance appropriation of \$126,108,000, which was recorded as a wool program receipt by Treasury. 2/ Approximately \$1.5 billion in benefits to farmers under the Disaster Assistance Act of 1988 were paid in generic certificates & were not recorded directly as disaster assistance outlays. 3/ Does not include CCC Transfers to General Sales Manager. 4/ Includes Export Guarantee Program, Direct Export Credit Program, CCC Transfers to the General Sales Manager, Market Promotion Program, starting in fiscal 1991 & starting in fiscal 1992 Export Guarantee Program - Credit Reform, Export Enhancement Program, & Dairy Export Incentive Program. 5/ Includes cash payments only. Excludes payment-in-kind in fiscal 83-85 & generic certificates in fiscal 88-93. E = Estimated in the fiscal 1993 President's Budget based on November, 1991 supply & demand estimates. Minus (-) indicates a net receipt (excess of repayments or other receipts over gross outlays of funds).

Information contact: Richard Pazzalaski (202) 720-5148.

Food Expenditures

Table 35.—Food Expenditures Estimates

	Annual			1992			1992 year-to-date		
	1989	1990	1991 R	June	July P	Aug P	June	July P	Aug P
\$ billion									
Sales 1/									
Off-premise use 2/	274.3	296.7	309.0	26.3	27.7	27.1	153.9	181.8	208.8
Meals & snacks 3/	206.3	218.7	227.0	19.4	20.0	19.9	114.3	134.3	154.7
1991 \$ billion									
Sales 1/									
Off-premise use 2/	299.9	304.2	309.0	26.3	27.7	26.8	152.9	180.6	207.4
Meals & snacks 3/	223.3	226.0	226.9	19.0	19.6	19.4	112.4	132.0	151.5
Percent change from year earlier (\$ bil.)									
Sales 1/									
Off-premise use 2/	7.1	8.2	4.1	1.4	5.5	1.4	3.0	3.4	3.1
Meals & snacks 3/	5.5	6.0	3.8	-3.6	-0.6	-5.0	3.3	2.7	1.6
Percent change from year earlier (1991 \$ bil.)									
Sales 1/									
Off-premise use 2/	0.6	1.4	1.4	2.4	5.7	-0.1	3.0	3.4	2.9
Meals & snacks 3/	0.8	1.2	0.4	-5.6	-2.3	-6.6	0.8	0.4	-0.6

1/ Food only (excludes alcoholic beverages). Not seasonally adjusted. 2/ Excludes donations & home production. 3/ Excludes donations, child nutrition subsidies, & meals furnished to employees, patients, & inmates. P = preliminary. R = revised.

NOTE: This table differs from Personal Consumption Expenditures (PCE), table 2, for several reasons: (1) this series includes only food not alcoholic beverages & pet food which are included in PCE; (2) this series is not seasonally adjusted, whereas PCE is seasonally adjusted at annual rates; (3) this series reports sales only, but PCE includes food produced & consumed on farms & food furnished to employees; (4) this series includes all sales of meals & snacks. PCE includes only purchases using personal funds, excluding business travel & entertainment. For a more complete discussion of the differences, see "Developing an Integrated Information System for the Food Sector," Agr.-Econ. Rpt. No. 575, Aug 1987.

Information contact: Alden Manchester (202) 219-0880.

Transportation

Table 36.—Rail Rates; Grain & Fruit-Vegetable Shipments

	Annual			July	1992					
	1989	1990	1991		Feb	Mar	Apr	May	June	July
Rail freight rate Index 1/ (Dec. 1984=100)										
All products	106.4	107.5	109.3	109.6	109.9	109.8	110.0	109.7 P	109.8 P	109.8 P
Farm products	108.4	110.4	111.4	111.5	111.2	110.7	110.3	110.3 P	110.3 P	110.2 P
Grain	108.7	110.1	111.2	110.8	111.6	110.2	110.2	110.2 P	110.4 P	110.4 P
Food products	103.9	105.4	108.1	108.0	109.0	109.4	109.4	109.4 P	109.4 P	109.5 P
Grain shipments										
Rail carloadings (1,000 cars) 2/	28.4	27.8	28.4	25.6	29.9 P	30.0 P	28.6 P	21.1 P	23.7 P	25.8 P
Barge shipments (mil. ton) 3/	3.3	3.8	3.3	4.4	2.0	3.4	3.8	4.1	4.1	4.8
Fresh fruit & vegetable shipments 4/ 5/										
Piggy back (mil. cwt)	2.2	1.6	1.5	1.9	1.4	1.5	1.8	2.3	1.9	—
Rail (mil. cwt)	2.6	2.3	2.1	1.7	2.7	2.7	2.8	3.5	3.7	—
Truck (mil. cwt)	42.3	41.5	41.9	43.2	41.5	44.8	50.8	55.7	51.2	—
Cost of operating trucks hauling produce 4/										
Fleet operation (cts./mile)	123.4	130.5	126.5	—	122.7	122.8	123.3	123.8	124.4	—

1/ Department of Labor, Bureau of Labor Statistics. 2/ Weekly average; from Association of American Railroads. 3/ Shipments on Illinois & Mississippi waterways, U.S. Corps of Engineers. 4/ Agricultural Marketing Service, USDA. 5/ Preliminary data for 1991. P = preliminary. — = not available.

Information contact: T.Q. Hutchinson (202) 219-0840.

Indicators of Farm Productivity

Table 37.—Indexes of Farm Production, Input Use & Productivity ^{1/}

	1982	1983	1984	1985	1986	1987	1988	1989	1990 2/	1991 2/
1977=100										
Farm output	116	96	112	118	111	110	102	114	119	120
All livestock products 3/	107	109	107	110	110	113	116	116	118	119
Meat animals	101	104	101	102	100	102	105	105	104	104
Dairy products	110	114	110	117	118	116	116	117	120	121
Poultry & eggs	119	120	123	128	133	144	148	153	162	168
All crops 4/	117	88	111	118	109	108	92	107	114	111
Feed grains	122	67	116	134	123	106	73	108	112	106
Hay & forage	109	100	107	106	106	102	89	101	102	103
Food grains	138	117	129	121	107	107	98	107	136	104
Sugar crops	96	83	95	97	108	111	105	105	107	112
Cotton	85	55	91	94	69	103	107	86	109	122
Tobacco	104	75	90	81	83	62	72	71	84	87
Oil crops	121	91	108	117	110	108	89	106	107	114
Cropland used for crops	101	88	99	98	94	88	87	90	90	—
Crop production per acre	116	100	112	120	116	123	106	119	127	—
Farm input 5/	98	96	95	91	89	89	87	87	88	—
Farm real estate	102	101	99	97	96	95	94	93	93	—
Mechanical power & machinery	89	86	85	80	77	74	74	73	71	—
Agricultural chemicals	118	102	120	115	109	111	112	119	122	—
Feed, seed, & livestock purchases	107	103	103	102	109	116	111	113	113	—
Farm output per unit of input	119	100	118	120	124	124	116	130	135	—
Output per hour of labor										
Farm 6/	125	99	121	139	139	142	135	147	142	—
Nonfarm 7/	99	102	105	106	108	109	111	112	111	—

1/ For historical data & indexes, see Economic Indicators of the Farm Sector: Production & Efficiency Statistics, 1986, ECI/FS 5-6. 2/ Preliminary indexes for 1991 based on Crop Production: 1991 Summary, released in January 1992, & unpublished data from the Agricultural Statistics Board, NASS. 3/ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. 4/ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output. 5/ Includes other items not included in the separate groups shown.

6/ Economic Research Service. 7/ Bureau of Labor Statistics. — = not available.

Information contact: George Douvelis (202) 219-0432.

Food Supply & Use

Table 38.—Per Capita Consumption of Major Food Commodities ^{1/}

Commodity	1984	1985	1986	1987	1988	1989	1990	1991 2/
Pounds								
Red meats 3/4/5/	123.7	124.9	122.2	117.4	119.5	115.9	112.4	112.4
Beef	73.8	74.8	74.4	69.5	68.6	65.4	63.9	63.5
Veal	1.5	1.5	1.6	1.3	1.1	1.0	0.9	0.8
Lamb & mutton	1.1	1.1	1.0	1.0	1.0	1.1	1.1	1.1
Pork	47.2	47.7	45.2	45.6	48.8	48.4	48.4	47.0
Poultry 3/4/5/	43.7	45.2	47.1	50.7	51.7	53.0	56.0	58.2
Chicken	35.0	36.1	37.0	39.1	39.3	40.5	42.2	44.0
Turkey	8.7	9.1	10.2	11.6	12.4	13.1	13.8	14.2
Fish & shellfish 4/	14.1	15.0	15.4	16.1	15.1	15.8	15.0	14.8
Eggs 5/	33.0	32.4	32.2	32.2	31.2	29.9	29.6	29.3
Dairy products								
Cheese (excluding cottage) 3/6/	21.5	22.5	23.1	24.1	23.7	23.8	24.7	25.2
American	11.9	12.2	12.1	12.4	11.5	11.0	11.2	11.2
Italian	5.8	6.5	7.0	7.8	8.1	8.5	9.0	9.4
Other cheese 7/	3.9	3.9	4.0	4.1	4.1	4.3	4.8	4.6
Cottage cheese	4.1	4.1	4.1	3.9	3.9	3.8	3.4	3.2
Beverage milks 3/	227.2	229.7	228.6	226.5	222.3	224.3	221.7	221.5
Fluid whole milk 8/	126.8	123.3	116.5	111.9	105.7	97.6	90.4	87.5
Fluid lowfat milk 9/	88.8	93.7	98.6	100.8	100.5	108.5	108.4	110.1
Fluid skim milk	11.8	12.6	13.5	14.0	16.1	20.2	22.9	23.8
Fluid cream products 10/	6.2	6.7	7.0	7.1	7.1	7.3	7.1	7.0
Yogurt (excluding frozen)	3.7	4.1	4.4	4.4	4.7	4.3	4.1	4.3
Ice cream	16.2	18.1	18.4	18.3	17.3	16.1	15.8	18.4
Ice milk	7.0	8.9	7.2	7.4	8.0	8.4	7.7	7.3
Frozen yogurt	—	—	—	—	—	2.0	2.8	3.5
All dairy products, milk equivalent, milkfat basis 11/	581.9	593.7	591.5	601.2	582.8	565.2	570.8	584.7
Fats & oils — Total fat content	58.8	64.3	64.3	62.9	63.0	61.1	62.7	63.8
Butter & margarine (product weight)	15.3	15.7	16.0	15.2	14.8	14.6	15.3	14.8
Shortening	21.3	22.9	22.1	21.4	21.5	21.5	22.2	22.1
Lard & edible tallow (direct use)	3.8	3.7	3.5	2.7	2.8	2.7	3.0	3.1
Salad & cooking oils	19.9	23.5	24.2	25.4	25.8	24.0	24.2	25.2
Fresh fruits 12/	110.0	108.0	114.9	119.6	117.1	119.4	111.9	—
Canned fruit 13/	12.3	12.7	12.9	13.6	13.3	13.4	13.4	—
Dried fruit	2.5	2.8	2.7	2.6	2.9	3.2	3.2	—
Frozen fruit	3.0	3.3	3.6	3.9	3.8	4.6	4.3	—
Frozen citrus juices 14/	35.7	40.5	43.2	40.2	40.1	34.3	27.2	—
Vegetables 12/								
Fresh	100.8	100.7	99.3	105.7	109.7	112.9	110.9	106.0
Canning	90.8	87.8	87.9	87.8	83.5	80.7	96.4	94.3
Freezing	17.5	17.1	15.8	16.8	16.3	17.8	18.3	19.3
Potatoes, all 12/	121.9	122.4	125.7	125.7	122.2	126.7	127.2	—
Sweetpotatoes 12/	4.9	5.4	4.4	4.4	4.1	4.1	4.7	—
Peanuts (shelled)	6.0	6.3	6.4	6.4	6.9	7.0	8.0	8.4
Tree nuts (shelled)	2.3	2.3	2.3	2.2	2.3	2.3	2.5	2.5
Flour & cereal products 15/	150.4	157.5	163.7	172.5	174.3	174.9	183.0	184.3
Wheat flour	119.2	124.7	125.7	129.9	130.0	129.2	135.7	135.9
Rice (milled basis)	6.5	9.0	11.6	14.0	14.3	15.2	18.2	17.0
Caloric sweeteners 16/	127.0	131.3	129.6	133.7	135.1	136.4	139.1	140.2
Coffee (green bean equiv.)	10.2	10.5	10.5	10.2	9.8	10.3	10.2	—
Cocoa (chocolate liquor equiv.)	3.4	3.7	3.8	3.9	3.8	3.9	4.2	—

1/ In pounds, retail weight unless otherwise stated. Consumption normally represents total supply minus exports, nonfood use, & ending stocks. Calendar-year data except fresh citrus fruits, peanuts, tree nuts, & rice, which are on Crop-year basis. 2/ Preliminary.

3/ Total may not add due to rounding. 4/ Boneless, trimmed weight. Chicken series revised to exclude amount of ready-to-cook chicken going to pet food as well as some water leakage that occurs when chicken is cut up before packaging. 5/ Excludes shipments to the U.S. territories. 6/ Natural equivalent of cheese & cheese & other dairy products. Includes miscellaneous cheese not shown separately.

7/ Includes Swiss, Brick, Munster, cream, Neufchatel, Blue, Gorgonzola, Edam, & Gouda. 8/ Plain & flavored. 9/ Plain & flavored & buttermilk. 10/ Heavy cream, light cream, half & half, & sour cream & dip. 11/ Includes condensed & evaporated milk & dry milk products.

12/ Farm weight. 13/ Excludes pineapple & berries. 14/ Single strength equivalent. 15/ Includes rye, corn, oat, & barley products. 16/ Dry weight equivalent. — Not available.

Information contact: Judy Jones Putnam (202) 219-0870.

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